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GILLETTE'S  
INDUSTRIAL  
SOLUTION

MELVIN L. SEVERY





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## **GILLETTE'S INDUSTRIAL SOLUTION**













KING C. GILLETTE  
Inventor of the System



MELVIN L. SEVERY  
Author of the Book





# GILLETTE'S INDUSTRIAL SOLUTION: WORLD CORPORATION

AN ACCOUNT OF  
THE EVOLUTION OF THE EXISTING SOCIAL SYSTEM  
TOGETHER WITH A PRESENTATION OF AN EN-  
TIRELY NEW REMEDY FOR THE EVILS  
IT EXHIBITS

*WITH ILLUSTRATIONS AND INDEX*

BY

MELVIN L. SEVERY

Author of "*Fleur-de-Lis*," "*The Darrow Enigma*,"  
"*The Mystery of June 13th*," "*Gillette's Social  
Redemption*," etc.

∴

*Here the free spirit of mankind, at length,  
Throws its last fetters off; and who shall place  
A limit to the giant's unchained strength  
Or curb his swiftness in the forward race?*

—Bryant

∴

*Boston*

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## **DEDICATION**

**FOR ALL THOSE WHO SUFFER — LOVE, SYMPATHY AND HOPE.**

**FOR THOSE WHO, COMFORTABLE THEMSELVES, WOULD YET REJOICE IN THE ALLEVIATION OF THEIR BROTHERS' PAIN — GREETING, A MISSION AND GODSPEED.**

**FOR THOSE GREAT SOULS WHO CANNOT ACCEPT A SELFISH PEACE, OR FIND AN INDIVIDUAL HAPPINESS, IN THE MIDST OF GENERAL MISERY — ENTHUSIASM, THE RIGHT HAND OF FELLOWSHIP, AND ENLISTMENT IN THE CAUSE OF HUMAN UPLIFTMENT — THE CAUSE BESIDE WHICH ALL OTHERS ARE LOST IN INSIGNIFICANCE.**





# GILLETTE'S INDUSTRIAL SOLUTION

## CONTENTS

CHAPTER	PAGE
PREFACE . . . . .	1

### BOOK I

I. EVERY EFFECT THE CHILD OF PARENT CAUSES . . . .	9
II. THE GREAT SEARCH FOR A RATIONAL STARTING POINT . . .	13
III. THE RISE OF PHYSICAL AND PSYCHICAL LIFE . . . .	17
IV. THE DRAMA OF PLEASURE AND PAIN . . . . .	27
V. ALL NATURE OF NECESSITY BENEFICENT . . . . .	33
VI. THE ONE POINT OF AGREEMENT IN ALL RELIGIONS . . .	39
VII. CIVILIZATION A MODIFICATION NOT AN ERADICATION OF SAVAGERY . . . . .	45
VIII. PRIMITIVE MAN NATURALLY ANTI-SOCIAL . . . . .	53
IX. NATURE UNEQUIVOCALLY DOOMS INDIVIDUALISM . . . .	61
X. THE DEVELOPMENT OF TRADE FROM PROPITIATORY GIFTS . .	69
XI. GENESIS OF MONEY AND ITS FUNCTION . . . . .	79
XII. COMPETITION A PSYCHIC AS WELL AS A COMMERCIAL FACT .	93
XIII. COMPETITION DEFINED AND ANALYSED . . . . .	103
XIV. COMPETITION NOT THE LIFE OF TRADE . . . . .	111
XV. THE SOUL OF COMPETITION IS FEAR . . . . .	119
XVI. DEBASING INFLUENCE OF COMPETITIVE IDEALS . . . .	127
XVII. SOMETHING OF INTEREST . . . . .	139
XVIII. IF ALL ARE GUILTY LET ALL MAKE AMENDS . . . . .	151
XIX. THE BRAND AND PHILOSOPHY OF CAIN . . . . .	161
XX. COMPETITION — THE WAR OF PEACE. PART I . . . .	171
XXI. COMPETITION — THE WAR OF PEACE. PART II . . . .	189
XXII. THE REQUISITES OF AN IDEAL SOCIAL RÉGIME . . . .	203
XXIII. ALL VALUES ARE LABOUR-VALUES . . . . .	214
XXIV. RESUME OF PRECEDING CHAPTERS . . . . .	229

### BOOK II

XXV. INALIENABLE RIGHTS AND INEVITABLE CONCLUSIONS . .	247
XXVI. ANCIENT AND MODERN VIEWS OF INTEREST . . . .	265
XXVII. INTEREST ON THE FIRING LINE . . . . .	281
XXVIII. OTHER THEORIES REGARDING INTEREST . . . . .	295
XXIX. FALLACIES AND CONTRADICTIONS ANALYSED . . . .	313
XXX. SOCIETY <i>vs.</i> THE INDIVIDUAL . . . . .	325
XXXI. EFFECT OF INTEREST GRAPHICALLY ILLUSTRATED . . .	341
XXXII. PROFIT ANALYSED AND ILLUSTRATED . . . . .	365
XXXIII. PROFITS UPON PROFITS UPON PROFITS, ETC. . . . .	382

# CONTENTS

## BOOK III

CHAPTER		PAGE
XXXIV.	SOME LEADING CHARACTERISTICS OF AN IDEAL COMMUNITY	394
XXXV.	A SYNOPSIS OF THE GILLETTE SYSTEM . . . . .	401
XXXVI.	PSYCHOLOGICAL AND SOCIOLOGICAL TREND OF THE NEW SYSTEM . . . . .	415
XXXVII.	POWER OF ENVIRONMENT . . . . .	421
XXXVIII.	THE EMERGENCE OF THE NEW SYSTEM FROM THE OLD . . . . .	431
XXXIX.	THE SUPPLY AND DEMAND FETICH . . . . .	443
XL.	LABOUR UNDER THE NEW SYSTEM . . . . .	456
XLI.	A REVIEW OF SECTIONS 1 AND 2 OF THE NEW SYSTEM . . . . .	466
XLII.	CONTRAST BETWEEN THE NEW AND THE OLD RÉGIME . . . . .	477
XLIII.	AN EFFICIENTLY CO-OPERATING DEMOCRACY . . . . .	485
XLIV.	THE AUTOMATIC DETERMINATION OF VALUES . . . . .	493
XLV.	SOCIAL EFFICIENCY THE BADGE OF RESPECTABILITY . . . . .	505
XLVI.	EDUCATIONAL DEFECTS OF THE OLD SYSTEM . . . . .	517
XLVII.	EDUCATIONAL ADVANTAGES OF THE NEW SYSTEM . . . . .	528
XLVIII.	"THE SPIRIT OF THE HIVE" . . . . .	542
XLIX.	"THE HUMAN DRIFT" . . . . .	555
L.	THE SURVIVAL OF THE FITTEST MADE THE SURVIVAL OF THE BEST . . . . .	571

# LIST OF ILLUSTRATIONS

## HALF-TONES AND CHARTS

HALF-TONES	PAGE
KING C. GILLETTE, INVENTOR OF THE SYSTEM . . . . .	<i>Frontispiece</i>
MELVIN L. SEVERY, AUTHOR OF THE BOOK . . . . .	"
THE MENACE OF OUR PRESENT SOCIAL SYSTEM . . . . .	535
THE RUSSIAN FEAR . . . . .	547
NIAGARA FALLS . . . . .	561

CHARTS	PAGE
THE BIOLOGICAL TREE . . . . .	19
GOLD PRICES . . . . .	83
BIMETALLIC PRICES . . . . .	84
THE BURSTING OF THE "OVERCROWDED" BUBBLE . . . . .	94
AVERAGE DENSITY OF POPULATION THROUGHOUT THE WORLD . . . . .	95
CHART C.—DIAGRAM OF WEALTH, PRODUCTION, POPULATION, ETC. . . . .	145
CHART A.—"HOME OF THE MORTGAGED 'FREE'" . . . . .	155
MAP OF UNITED STATES SHOWING WHY THE COUNTRY IS "OVERCROWDED" . . . . .	156
CHART O . . . . .	342
CHART P . . . . .	345
CHART T . . . . .	352
CHART XX . . . . .	372
CHART U . . . . .	374
CHART EE . . . . .	383
CHART FF . . . . .	385
CHART GG . . . . .	387
CHART C.—DIAGRAM OF WEALTH, PRODUCTION, POPULATION, ETC. . . . .	409
CHART B.—THE STORY OF THE CLASSES . . . . .	411
CHART Q . . . . .	457
LINCOLN'S WARNING . . . . .	473
RELATIVE URBAN DENSITY OF POPULATION . . . . .	479
DIAGRAM OF "LUNG BLOCK" . . . . .	480
CHART R . . . . .	494
CHART S . . . . .	495
ILLUSTRATION OF COMPETITIVE WASTE . . . . .	506
THE AMERICAN TARIFF FROM 1791 TO 1901 . . . . .	508
RELATIVE DEATH-RATES IN DIFFERENT CLASSES . . . . .	545
MAP SHOWING SITE OF NEW METROPOLIS . . . . .	557



## FOREWORD

In offering this volume to the public a word of explanation is in order. Something over a year ago the first part of this work was issued under the title, "Gillette's Social Redemption." This volume dealt with existing world-wide conditions, and endeavoured to show the dangerous trend of affairs. Events which have happened since then have more than justified its prophecies for, as we write, freedom of belief, freedom of speech, and freedom of the press are openly being assaulted throughout the United States. More than this; domiciliary visits made by the police, and desecrating, without legal warrant, the sanctity of homes and assembly rooms, have degraded American liberties to a truly Russian level. With respect to the correctness of many other views set forth in the aforesaid volume, at least as much could be said. In the interim corruption of all kinds has grown apace, until we believe there can be, on the part of right-minded citizens, but one answer to the question propounded by "Gillette's Social Redemption," to wit: Are not conditions, not only in the United States but throughout the world, such as render a radical change imperative?

Since many into whose hands this present work will come, will not have read its predecessor of a year ago, it should be stated that each volume is self-contained and complete in itself. The earlier work was an exhibit of present world-wide conditions, while what follows herein has to do, first, with the *genesis* of present conditions, and second, with the *remedy* proposed for their amelioration.

Those, if there be any, who are indifferent as to how our present social régime developed, but who would like to know how its evils are to be cured, doubtless will leave the first portion of the work unread, confining their attention to its second part. This course we cannot recommend, since we believe a knowledge of the evolution of our present social system is all but absolutely essential to a correct understanding of any remedy whatsoever.

Another point which should be noted. The careful reader will observe that no undue effort has been made to express ourselves in the fewest possible words, or to avoid, as if it were a pestilence, anything savouring of repetition. The explanation of this is to be found in the fact that we do not believe in that niggardliness of utterance which ever is striving to boil its sentences down to their linguistic dregs, when, by so doing, an increasing tax is placed upon the reader's brain. Our one desire, transcending all others, is to get our full message into the reader's consciousness. Where we have thought this could most easily be done by repetition we have had no hesitancy in making use of it.

We fully believe that no intelligent adult conscientiously can read this volume from cover to cover, without getting an accurate and



## FOREWORD

vivid impression of the views we hold. This is quite enough for us. Each reader will pass upon those views as he sees fit. We have done all we can do in placing them unequivocally before him.

As far as practicable an effort has been made to keep the text clear of quotations which, however pertinent they may be, do yet in a degree interrupt the steady flow of the reader's thought. In some cases, however, it has seemed absolutely necessary to quote prominent authorities on certain matters, while, on the other hand, there was much so vitally related to our subject that we could not gain our consent to withhold it from the reader. We met the dilemma in this way. Those authorities bearing specifically upon the exact sociological details we were treating, we quoted in the *text*. Those, however, whose utterances were of more *general* application, we placed upon separate pages inserted between chapters. As it did not seem practicable, no attempt was made to sort these inserts to fit those particular chapters of the text contiguous to them.

One word more. The system here put before the reader is not devised to make money. It is a labour of love on the part of its inventor, Mr. King C. Gillette. It represents years of thought, and a single-hearted earnestness which has no other object than the lessening of human pain and the increasing of human happiness. It is, moreover, the only system with which we are acquainted which requires no word of special legislation; no extensive following; no political party; no considerable amount of money; and no delay whatsoever, before it can be put into operation in its initial stage. It could be inaugurated to-morrow by three men having less than a thousand dollars between them.

It is world-wide in its application; just in its interrelations; and in line with evolution, not only in not being a *levelling process*, but in all other ways as well. We believe the careful reader will agree with us that its uniqueness does not end even here.

The outlining of a new social régime is a subject of such tremendous scope as to preclude the possibility of detailed treatment within any reasonable limits. The only practical course seems to be to sketch in with firmness the broader masses of the new social picture, trusting to its big shadows to engulf unessential details, on the one hand, while, on the other, its highest lights exhibit only those particulars of most glaring import. This is the course we have felt obliged to follow, wherefore it happens that many things of lesser importance, regarding which occasional readers will wish for more extended and definite utterances, have either been pushed into the rearground or lost entirely in the breadth of the larger masses. The net result of all this is that certain postulates have received more thorough treatment than otherwise would have been possible, to the end that we feel warranted in asserting that they have been fully substantiated. Some of the more important of these may here be adverted to.

It is shown, we believe, to the satisfaction of any unprejudiced reader, that an individualistic régime is directly opposed to all social régimes properly so-called. Individualism is anti-social. The outcome of any form of moral existence among associated persons *must*

## FOREWORD

*of necessity* be socialism, using that term not as indicative of any particular school of thought, but in its broadest sense as the antonym of individualism. It is clearly shown that right and wrong are conditions of otherdom. That ethics, in short, is a meaningless term to a single, isolated individual. Christ was a socialist, and the New Testament, if it is anything, is the most powerful plea in literature for the domain of otherdom. The advanced clergy throughout the world are awakening to the uncompromisingly socialistic trend of the Saviour's teachings. John Stuart Mill, one of the greatest thinkers of his age, was a Socialist at a time when there were relatively few others, but to-day it is figured that the Socialists number, throughout the world, something like 30,000,000, and possess a voting strength estimated at 8,000,000. This is not to say that all these millions would agree upon any particular school of Socialism now in existence, but it is to say that they would all pronounce, with one accord, against *any* type of *competitive individualism*, and in favour of *some* type of *coöperative socialism*.

The time has fully passed when men who condemn the present social régime can be brushed aside as "cranks" and "fanatics." He who fatuously pursues such a course is merely preparing himself still further to illustrate the truth of the assertion "Whom the gods would destroy they first make mad," while those who are struggling to stem the great world-wave of coöperative thought, might just as well busy themselves trying to stop up Vesuvius with soap-bubbles. The ostrich that plunges its head in the sand does not quench the light, except so far as its own little head is concerned.

The present régime has not only broken down from a spiritual standpoint, but it has failed utterly from a purely material point of view, and this has occurred in an age the inventions of which are without parallel. The more fully to realise this let us reflect that, so rapid has been the march of inventive progress, that a relatively few months have given to the world a practical colour photography, numerous flying machines, an invention to set type by wire telegraphy, several ways of transmitting pictures over a wire, a gun, said to be electrical, capable of throwing a ton projectile three hundred miles, and many other marvels too numerous to mention. So fast are these wonders put before us that we have gotten tired of saying "What next!" Yet despite this wealth of intellectual output, the competitive régime has all but utterly gone to pieces.

And what is to be offered in its place? There is but one remedy which has the slightest spark of vitality, or is capable of arousing anything better than a painted enthusiasm, and that remedy is some type or other of Socialism,—of coöperation, with the good of society, rather than that of the individual in mind. No other régime could be just, because no other régime could fully generalise. Justice in the light of what we now know tends inevitably toward equality. More than this; if we but think deeply enough we shall see that justice would demand equality in cases where, normally, we should be least likely to expect it.

It now is known that man is the product of present and past environments. If our brother be less than our moral equal it is because



## FOREWORD

his lot, or that of those from whom he descended, was cast in uncongenial ethical atmosphere. Had we possessed all his environments, in their totality, and he all of ours, our present conditions would be *precisely reversed*. This truth is now scientifically recognised, and we are beginning to see how wrong it is to *add the injustice of the present to the living product of the injustice of the past*. Instead of pluming ourselves upon our own superiority, and perpetuating a régime which intensifies such distinctions, the better thought of the modern world has come to realise that all men *ought* to be, and *ultimately will be*, of sensibly equal deserts. The ability of men may vary in kind to the end of time, but as the poison of ancient injustices gradually is worked out of the human system under a proper social régime — a régime which demands that there shall be no rights without duties, and no duties without rights — the sum total of each man's powers will, under similar environing conditions, tend ever more closely to a constant.

Perfect justice is not to be looked for at once, no matter what change is made, for the world has to purge itself of age-long accumulations of iniquity and inequity. We must build the perfect social temple upon the bed-rock of democratic equality. We must start right at the *foundation*, for, with injustice for premises, it is not *conceivable* that the conclusion should state itself in terms of perfect justice. Ideal ethics is only possible in an ideal environment. As we approach this we near the goal.

Of these things, we submit, we may be reasonably sure, and they are the larger facts of the coming society. With this much proved, we well can afford to pass over unessential details. The handwriting is on the wall and only the blind see not its largest characters, while many there are who get more than a moiety of the whole message. We may any of us read enough to enable us to set our faces toward the light and direct our footsteps into the east of the coming day. This may well suffice for the present.

MELVIN L. SEVERY.

Arlington Heights, Mass.  
May, 1908.

## BOOK I

It will be ripe in reason, it will be strong in love —  
The newer time, the better time, the crown of God's endeavour;  
And songs of joy will ring from earth and reach to realms above,  
When men shall learn to live in love together.

The earth will yield its fruitage to the hands that give the toll,  
In the fuller time, the truer time, toward which the day is breaking;  
And Greed no longer leagued with Power, shall claim the tyrants spoil,  
Nor Want shall stagger o'er the graves she's making.

No more shall children labour to dwarf the limb and soul,  
In the gladder time, the brighter time, for which the world is wait-  
ing;  
Their holy feet shall press the flowers, not strive to win the goal,  
Adown the murderous mart of man's creating.

And thought will grow more potent, and man be more like God,  
In the clearer time, the purer time, the Heaven to earth descending,  
The fairest flowers afield shall bloom on paths the martyrs trod,  
Who, fighting, died, the cause of truth defending.

That Love at last may triumph and man in truth be free,  
In the happier time, the holier time, the Age's harvest reaping,  
Our hands of help must reach to those, the millions yet to be;  
We hold the Future's final hope in keeping.

*Dwight Marvin — The Coming Age.*

And when ye reap the harvest of your land, thou shalt not wholly reap  
the corners of thy field, neither shalt thou gather the gleanings of the  
harvest. And thou shalt not gather every grape of thy vineyard: thou  
shalt leave them for the poor and stranger.

*Moses.*

Yet I doubt not through the ages one increasing purpose runs,  
And the thoughts of men are widened with the process of the suns.

*Alfred Tennyson.*

Say not "The struggle naught avalleth,  
The labour and the wounds are vain,  
The enemy faints not, nor falleth,  
And as things have been they remain."

If hopes were dupes, fears may be liars;  
It may be, in yon smoke concealed,  
Your comrades chase e'en now the flyers,  
And, but for you, possess the field.

For while the tired waves, vainly breaking,  
Seem here no painful inch to gain,  
Far back through creeks and inlets making,  
Comes silent, flooding in the main.

And not by eastern windows only  
When daylight comes, comes in the light;  
In front the sun climbs slow, how slowly!  
But westward, look! the land is bright.

*Arthur Hugh Clough.*

There are a thousand hacking at the branches of evil to one who is striking at the root.

*Thoreau.*

A little more patience, a little more charity for all, a little more devotion, a little more love; with less bowing down to the past, and a silent ignoring of pretended authority; a brave looking forward to the future with more faith in our fellows, and the race will be ripe for a great burst of light and life.

*Elbert Hubbard.*

The most expensive things in the world are those you get for nothing.  
*Ibid.*

I sometimes think the thread of life is slender,  
And soon with me the labour will be wrought;  
Then grows my heart to other hearts more tender,  
The time,  
The time is short.

A shepherd's tent of reeds and flowers decaying,  
The night winds soon will crumble into naught;  
So seems my life, for some rude blast delaying,  
The time,  
The time is short.

Up, up, my soul, the long spent time redeeming,  
Sow thou the seed of better deed and thought,  
Light other lamps while yet thy lamp is beaming,  
The time,  
The time is short.

*Hezekiah Butterworth.*

There's a day in the distance  
When caste shall give way;  
When men shall be free  
As the sunlight of day;  
When shackles of error,  
Of lust and of greed  
Shall vanish from earth  
Before Brotherhood's creed.

There's a day in the future  
When Truth shall not care  
For the symbols of power  
Or the trappings men wear;  
When the word and the order,  
The mantle and mart,  
Shall each but do service  
For spirit and heart.

There's a day seen by prophets,  
When right shall make might;  
When conquest shall be  
But dispelling Earth's night;  
When men shall prize justice  
As better than gold,  
And law, love and labour  
The weakest enfold.

There's a day coming sometime,  
When worship shall be  
But the clearing of vision  
That truth men may see;  
When manhood, enfranchised,  
And nations made free,  
Shall usher in peace  
By a world-wide decree.

*J. Burritt Smith.*

## CHAPTER I



ALL who have read the preceding volume of this work, all who have observed the signs of the times to any purpose, will frankly admit that present social conditions are capable of radical improvement. It will need no argument to convince any such that a very large per cent. of the suffering to which mankind is heir would be entirely eradicated by a proper social régime. The preceding volume proved at length the utter inefficiency of our present social system to answer the needs of the human race, leaving for this present work the task of explaining how that system grew up, how it came to be regarded as the Ultima Thule of all things social, and further what must be done radically to remedy the insufferable ills to which, for many centuries, it has subjected humanity. To this task then let us address ourselves.

Since some of the gravest defects of human reasoning, particularly in the department of sociology, resulted from the innocent and unquestioning acceptance of dogmas so trite as to come at last to be regarded as axiomatic, we shall endeavour, so far as possible, to take nothing for granted and to prove each postulate as it is predicated. We have said, "as far as possible," realising as we do, that certain ultimates must, by the very nature of human psychology, be assumed as starting points. The human brain is incapable of dealing with generalisations which transcend all racial experience.

Sociology has to do with human beings and these human beings are the evolved products of past environments and experiences. The character of any individual is a history stretching back to the very dawn of creation. Let us briefly test the truth of this assertion, linking it with an ultimate of such wide generality that we are bound to recognise our inability to think beyond it. Nature is either governed by law, or it is not; if not, those things which happen, happen outside of law and may be justly said to be exhibitions of sheer caprice. If this be Nature's state then no possible congeries of conditions can be taken as the slightest evidence of probability that any other condition coexists therewith, or will follow as a result thereof. This is so contrary to the incessant experiences of every human being from the cradle to the grave, that we may dismiss it as an utterly disproved thesis.

That the sequence of events in Nature form an orderly progression, a progression sustaining a cause-and-effect relation, is attested not only by our every-day experiences, but also by the very structure of our minds. Our experiences teem with instances where, from a knowledge of certain causes, we have been enabled to predict results beyond a peradventure. If, then, we accept, as perforce we must, a

## GILLETTE'S INDUSTRIAL SOLUTION

cause-and-effect relation with regard to all phenomena, we are at once committed to a scheme of law and order as typifying all natural processes. This is to say, that every effect is the child of parent causes from which it *could not fail* to result. Glancing back, therefore, into the ever dimming vista of history, we find causes growing fewer and fewer in a decreasing ratio that hints with persistent iteration at one grand ultimate — one primal cause of all that is. Since, therefore, the wide angle of all that we now comprehend converges at the focal point — albeit not perfectly seen — of a single cause, there can be no escape from the conclusion, that, if man's present is in *any way* connected with his past, it is connected with *all* his past, clear back to this focal point, this primordial cause. Conversely it follows that a part of the unfolding, the evolution, if you please, of this first cause is the man in question. Forced thus to realise that all human personality is the product of man multiplied into his environment, it becomes of the utmost importance that we shall consider this environment in our effort to determine the development and peculiarities of the man himself; for just as a change in habitat forced land animals to become amphibian, so a change in man's environment has wrought in humanity changes of the deepest moment. To understand man as he is, we must seek to know him as he was, must strive to see him even before he became human, as he labouriously climbed the trunk of the genealogical tree. In seeking to attain this end we make use of the doctrine of evolution for the simple reason that this grand science is luminous with instruction, while no other theory known to us offers one single scintilla of light.

## **CHAPTER II**



For we are vague and unsubstantial shadows  
 Cast for a moment by our larger selves  
 Upon this whirling globe, itself mere semblance,  
 Which some adventurous, wandering ray of truth  
 Paints with a wayward stroke on heaven's wall.  
 In vain we sleep and waken, thinking thus  
 To escape the land of shadows. If by night  
 We singly dream, by day we dream together—  
 And all is dream—save when a sudden flood  
 Of calm conviction, surging from beneath,  
 Uprises through the fountain of our being,  
 And overflows the temporal world of sense—  
 A flood that in receding leaves behind  
 Imperishable hints of broader life,  
 Transcendent truth and supernatural substance  
 Beyond the pale of dreams. Our universe  
 Treads in the skirts of unimagined grandeur.

So, as a barnacled and battered keel,  
 Long buffeted by lapse of rushing waters,  
 Dank seaweed and the world of scale and fin,  
 Might, in the throb and tremour of its frame,  
 Feel a faint whispering of slant towering masts  
 (Friends to the sun), of zephyr-haunted sails,  
 And spacious bulwarks in an element  
 Undreamed-of, incommensurate—so may we  
 Thrill at the touch of our supernal selves  
 Which loom up dim in regions adequate  
 Beneath an unknown sky.

*Ernest Crosby.*

Life is a verb, not a noun. Life is living, living is doing, life is that  
 which is done by the organism.

*Charlotte Perkins Gilman — Human Work.*

I am homesick.  
 Homesick for the home I have never seen,  
 For a land where I shall look horizontally into the eyes of my fellows.  
 The land where men rise only to lift.  
 The land where equality leaves men to differ as they will.  
 The land where freedom is breathed in the air and courses in the blood  
 Where there is nothing over a man between him and the sky.  
 Where the obligations of love are sought for as prizes.  
 And where they vary as the moon.  
 That land is my true country.  
 I am here by some cosmic mistake,  
 And I am homesick.

*E. C.*

## CHAPTER II



THE manner in which the cosmos was evolved out of chaos has always been, and will doubtless ever continue to be, a subject of compelling interest to the mind of man. Every race has had one or more religions resting for a foundation upon some special cosmogony. These various theories of creation fall under three general classes, which may be briefly described as follows: First, the world has existed in its present form from eternity. Second, the matter, but not the form, has always existed. Third, both the matter and the form of the world are due to spiritual cause. The second class is variously known as atomism, cosmism, evolutionism, etc., while the third is known as creationism. It has remained for the advocates of the second class of theories to evolve an explanation which is, at least, thinkable and probable, if not to say, certain. All other theories, being hopelessly inconsistent *one part with another*, need no external refutation, since they break of their own weight. Far from having any probability, they do not even exhibit thinkability. For this reason while recognising that the doctrine of evolution rests, as in the last analysis every doctrine must rest, upon a hypothetical ultimate, we are constrained to accept it as probably true, for the reason that it, and it alone, accounts for the great mass of our racial experiences, and for the further and more cogent reason, that no single phenomenon has ever been found which can be shown, beyond a peradventure, to be irreconcilable with this grand conception. When we realise that in the case of other theories it may justly be said, that they not only are not self-consistent, that they do not explain phenomena, as we know them, that they have no conformity with the highly evolved mind of the race, and that they are not only at war within themselves, but are absolutely negatived by the great mass of our experiences, we cannot wonder that we fly to the doctrine of evolution as a haven of refuge in which our beleaguered intellects may enjoy sane activities.

The nebular theory of the genesis of the world, commonly known as the nebular hypothesis, or the variant thereof, suggested by Lockyer, known as the meteoric theory, forms the best starting point which our latter-day science has to offer. That our heavenly bodies were compacted out of nebular mist was the grand conception of Laplace, a conception shared by both Swedenborg and Kant, who independently proposed substantially the same hypothesis. While this theory is still a speculation, the testimony in favour of it is all but overwhelming. One of the strongest proofs of evolution in any department of science is our ability to point to various distinct stages of the process. When we are told that the human eye was literally

## GILLETTE'S INDUSTRIAL SOLUTION

made by light, our understanding of the matter, as well as our faith in the postulate, is very materially helped by the ability of science to point to eyes at present in various stages of construction by this luminous architect. Similarly when Sir W. Herschel informs us that there are regions in space where the telescope detects only a faint, diffused nebulosity, while elsewhere are nebulae in which a nucleus can just be discerned, and in still other regions the nucleus is easily seen, while in other quarters the nucleus is a brilliant star-like point, it is easy for us to believe that nebulous stars pass into ordinary stars by gradual changes. We have now only to invert the process shown us by Herschel to see in imagination our present solar system expanding and thinning into a misty, coalescing, nebulous mass. Not only this, but there are many well-known facts which are better accounted for upon this hypothesis than any other. For example, it has been estimated that this earth receives less than one two-thousand-millionth part of the radiant energy of our sun. The stupendous amount that flows idly outward and is seemingly lost in space appalls the intellect. Notwithstanding this fact we are told that we have not the slightest reason to suppose that the radiation of the sun is measurably weaker than it was two thousand years ago, whereas, were the sun radiating energy like an ordinary heated body, it would have cooled in this period many thousands of degrees. It would take twenty tons of coal a day burned on *every square foot* of the sun's surface in order to supply the heat for this daily radiation. This means a solid shell of coal several hundreds of feet thick covering a sphere of nearly a million miles diameter, consumed *every twenty-four hours!* Were this heat furnished, as some have maintained, by the falling of meteors upon the sun, it would require every year a total mass thereof equal to our moon. It is at this point that the nebular hypothesis helps us out of our dilemma. As the sun loses heat it contracts, and this very contraction, by a well-known law, generates heat. It is said that at present the diameter of the sun is diminishing at the rate of about four miles a century. At this rate the sun would have been but four hundred miles greater in diameter ten thousand years ago than now, a difference of only about one twenty-five hundredth of its diameter. To say that the sun will be smaller next year than it is this year, is to say by implication that it was bigger last year than it is at present. We have only, therefore, to go back in imagination century by century to see the eye of day opening wider and wider, becoming more and more attenuated, until at last it reaches a nebulous condition. Let us then take the nebular theory whether in the form proposed by Laplace, or the variant advocated by Lockyer, as our point of departure.

## **CHAPTER III**

A flourishing society can maintain more fools than any savage period could afford.

*Charlotte Perkins Gilman — Human Work.*

God must dearly have loved the fools, otherwise he would not have made so many of them.

*Elbert Hubbard.*

Justice is itself the great standing policy of civil society; and any eminent departure from it, under any circumstances, lies under the suspicion of being no policy at all.

*Burke.*

The world is, to us, the sum of our concepts concerning it; and while the real facts relentlessly affect us, our supposed facts are of deadly importance because they modify our conduct.

*Charlotte Perkins Gilman — Human Work.*

Man has stayed alive because he knew enough to plough and sow, to kill wolves and steer a ship, but in later social development he has been as open to destruction as any poor beast below him. In the long lesson of history we may see him again and again killed down to the level of his intelligence. Nations have been conquered, civilisations destroyed, kings decapitated, but the peasant survived.

The problems we have really solved do not have to be done over again; the downfall of past societies is but the wiping off the slate of a mass of elaborate failures. "Rule it all out down to the first line and begin again!" says the teacher.

*Ibid.*



### CHAPTER III



IT is now universally admitted by all competent authorities who accept the nebular theory, that many hundreds of thousands of years, probably many millions of years, must have elapsed between the solidification of the earth's surface and the advent of the simplest forms of life. Certain it is that no form of vegetable or animal life, as we know it, could have existed until the earth had cooled to a moderately low temperature. More than this we now know that organic life began upon our planet at a certain definite time. It could not always have existed here. Just when this time was we can tell only within certain limits.

Since the existence of all organic life depends upon water in its fluid state, we can be sure that the organic history of our earth did not begin before water in fluid drops appeared upon its surface. The earliest forms of life contained a considerable amount of water. The tissues of the fully developed human body contain seventy per cent. of water, and only thirty per cent. of solid matter. With the child the per cent. of water is still greater, while the human embryo in its earliest stages of development is more than ninety per cent. water. As we leave the human family and go back to the low forms of marine animals, we find water forming a still larger constituent of their mass. In the case of the Medusæ, the body contains more than ninety-nine per cent. of water, and less than one per cent. of solid matter. We see, therefore, not only that human beings could not exist without water, but that the lower biological forms—those which must inevitably first have come into existence—were even more dependent upon water than the human race would have been had it existed at that time. Without *water* there can be no life of any kind, whether animal or vegetable. It is, of course, apparent that until the surface of our earth had reached a temperature at which steam could condense upon it, there could have been no water and no life. We are told by Prof. Ernst Hæckel that as soon as the first drop of water was precipitated by cooling from the envelope of steam “it began its geological action, and from that time to this it has effected continual changes in the modification of the hard crust of the earth. The result of this unceasing work of the water, which in the form of rain and hail, of snow and ice, of rushing torrent and surging wave crumbles and dissolves the rocks, is the formation of ooze. As Huxley says, in his excellent ‘Lectures on the Causes of the Phenomena of Organic Nature,’ the most important fact in the past history of our earth is ooze, and the question as to the history of the past ages of the world resolves itself into a question as to the formation of ooze. All the stratified rocks of our mountainous forma-

## GILLETTE'S INDUSTRIAL SOLUTION

tions were originally deposited as ooze at the bottom of the waters, and only afterwards hardened into solid stone."

In the second volume of his "The Evolution of Man," Prof. Haeckel divides the history of the organic earth into five great divisions, or epochs, as follows:

*First Epoch:* The Archilithic, or Primordial Epoch. This is the age of skull-less animals and seaweed forests.

*Second Epoch:* The Palæolithic, or Primary Epoch. This is the age of fishes and of fern forests.

*Third Epoch:* The Mesolithic, or Secondary Epoch. This is the age of reptiles and pine forests, Coniferæ.

*Fourth Epoch:* The Cænolithic, or Tertiary Epoch. This is the age of mammals and leaf forests.

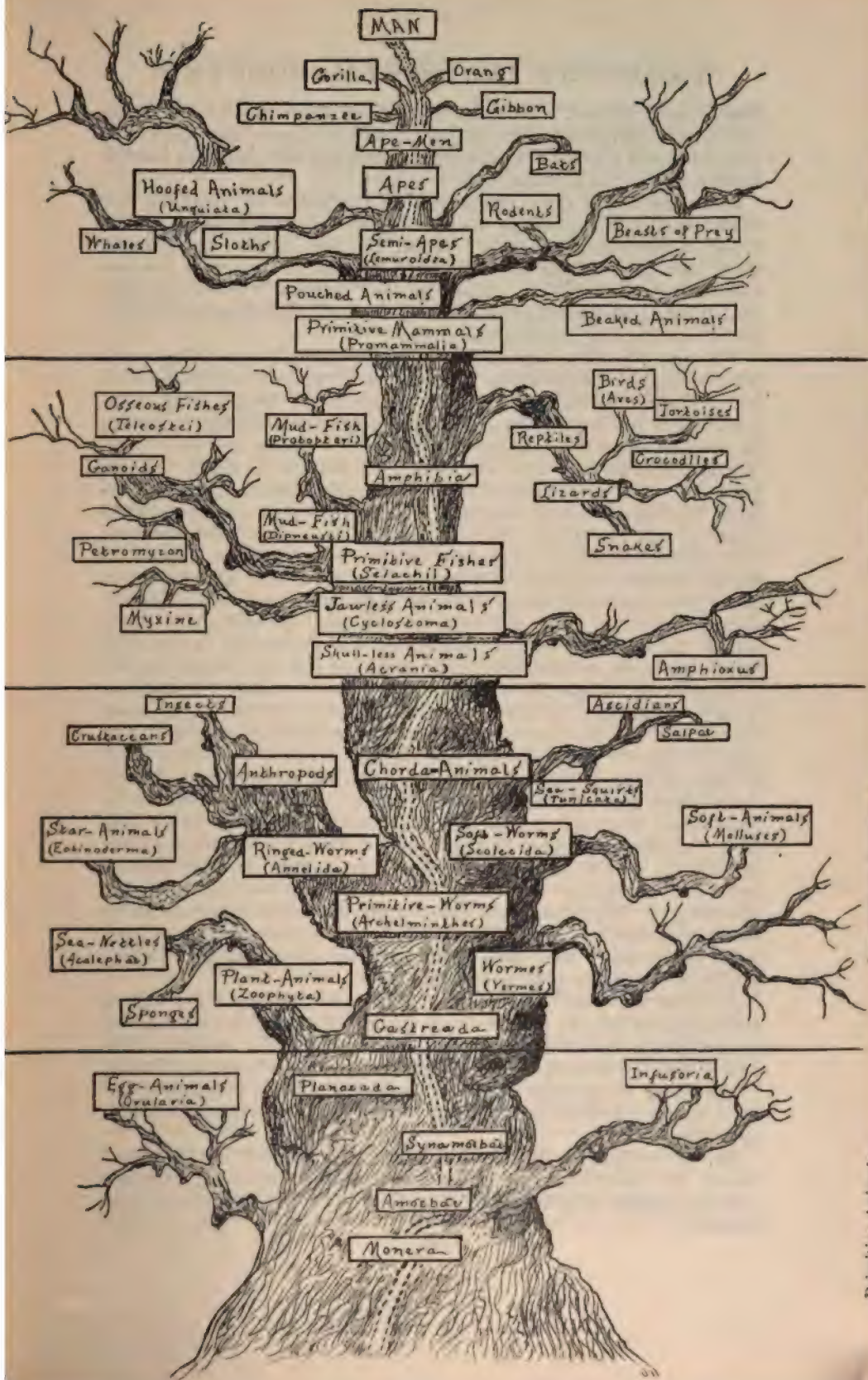
*Fifth Epoch:* The Anthropolithic, or Quarternary Epoch. This is the age of man and of cultivated forests.

We are told that if the total thickness of all sedimentary strata be placed at an average of a hundred and thirty thousand feet, then more than half of it, or seventy thousand feet, will belong to the first, or Archilithic Epoch, from which it is concluded that this Primordial or Archilithic Epoch must have been considerably longer than the entire period between its close and the present time. Speaking of the Archilithic rocks Prof. Haeckel says: "The enormous length of time required for the formation at the bottom of the primordial sea of these gigantic strata, of over 70,000 feet in thickness, must, at all events, have been many millions of years. During that time there came into existence by spontaneous generation the oldest and simplest organisms — those in which life began upon our planet — viz., the Monera. From these, one-celled plants and animals first developed — the Amœbæ and many kinds of Protista. During this same Archilithic Epoch, also, all the invertebrate ancestors of the human race developed from these one-celled organisms."

We may regard the Monera as the primordial ancestors of the human race. These minute animals when seen through the microscope appear to be mere roundish, or irregularly shaped specks of animated jelly (protoplasm), often of about the size of the white corpuscle of the blood, which is to say, about one three-thousandth of an inch in diameter. The chemical composition of this little animal is much the same as that of the white of an egg, indeed, it differs from an extremely small drop of this substance mainly in being alive. That it is alive, is abundantly proved by its movements, the extension of its "false-feet," as they are called, its surrounding and absorbing foreign material which can afford it nourishment, its rejection of waste material that it cannot absorb, and its ability to reproduce itself by self-division.

It is a common misconception that the theory of evolution asserts that all forms of life invariably march in an upward direction. Such is far from the case. Another common error, allied to this, is the assumption that *any* lower form of life might in due time evolve into *any* higher form. To take a concrete case, that a snake might evolve ultimately into a man. The evolution of biological forms is often represented by a biological tree with man as the central, top-





Mammals

Vertebrates

Invertebrate Intestinal

Primitive Animals



## GILLETTE'S INDUSTRIAL SOLUTION

most branch thereof. To reach this branch there is but one possible route, viz., directly up the trunk. Whatever leaves the trunk and goes out upon a lower branch forever leaves the one path that has the human race as its terminal goal.

Referring to the cut of the biological tree submitted herewith, the reader will perceive two parallel dotted lines running zigzag up the trunk to the topmost branch. These lines are intended to illustrate those root fibres of the tree which are destined to emerge at the topmost branch marked Man. When we say "destined" we do not mean that it could have been known that those particular fibres would pursue the course they actually did pursue.

Starting below the Monera we note these parallel lines rising somewhat obliquely. Just above the Monera they are sharply deflected to the right as if they were to run out on to the branch marked Infusoria, but just before they reach the Amœbæ the drawing requires us to imagine them to be again deflected into a nearly vertical course. We do not mean that these are exactly the deflections which did take place, but what we do mean is that as those fibres which ultimately became the human branch ascended from life form to life form in the trunk of the biological tree, they entered into new life-department with just such a history, expressed in direction of upward traverse, as would combine with the environmental forces of that department to make them approach the next higher department in exactly the line they did actually take. If, now, for example, the imaginary rightwardly deflection above Chorda-Animals had swung the dotted lines out of the trunk, as seemingly threatened, and into the branch marked "Amphioxus," these fibres would never have reached the topmost branch. The point we wish to convey is that every fibre, as it leaves the roots of the tree, becomes more and more charged with a history and this history plus each new environment is the determining force, at any moment, of that particular fibre. What we have said of these fibres which reach the topmost branch as Man, are equally true of all those other fibres which pass into the inferior branches. Every fibre of a tree passes through its trunk to the roots, and whether a fibre leaving the root shall go to one branch or another depends entirely upon the resultant of multitudinous forces acting throughout its entire history. The dotted lines representing the human fibres are shown for convenience as continually ascending, while, as a matter of fact, there might easily have been portions of this sheath of fibres which exhibited temporary descending tendencies.

Starting with the Monera and climbing straight up the trunk of the biological tree we pass through the following forms among primitive animals, or Protozoa, Amœbæ, Synamœbæ and Planæada. Entering now the domain of invertebrate intestinal animals, or Metazoa Evertabrata, we encounter the Gastreata, the worm (Vermes), primitive worms (Archelminthes), soft worms (Scolecida), and Chorda-Animals.

In the section of the biological tree appropriated by the vertebrates, or Vertebrata, we encounter skull-less animals (Acrania), jawless animals (Cyclostoma), primitive fishes (Selachii), and Amphibia.

## GILLETTE'S INDUSTRIAL SOLUTION

Coming to the highest division, or that portion occupied by mammals or Mammalia, we encounter first primitive mammals (Promammalia), then pouched animals, semi-apes (Lemuroidea), apes, apemen and lastly man, the topmost central portion of the whole tree.

It is important to note in this connexion that physical fitness invariably presupposes mental fitness. We now know that the human brain is profoundly influenced by the activities of the human hands, the left lobe of the brain being developed in right-handed persons, and the right lobe in left-handed persons. We need not be surprised, therefore, to learn that the possession of a prehensile trunk argues a more than an ordinary brain capacity on the part of the elephant. This may be looked at from two standpoints. In the first place such a trunk puts the elephant in far more intimate touch with its environment, thus building up a far better brain structure than it would otherwise possess, while in the second place, if it did not possess a more than ordinary animal intelligence this wonderful sense organ of a trunk would be in large measure useless. Now, Dame Nature does not permit a useless organ to persist for what to her is any great length of time, so that the persistency of the elephant's trunk is proof positive that it affords its possessor an advantage in the life struggle; and this it could not do were there not an intelligence suitable to its use. This law of Nature is of vital social importance since it gives us the most luminous proof that social evolution is as much a part of Nature's great plan as is biological evolution. The argument is this. The law of natural selection guarantees the survival of the fittest. The struggle for this survival, therefore, insures physical fitness through physical evolution, and physical fitness is, in the mass, always accompanied by mental fitness. Wherefore, that physical evolution which looks toward physical fitness, is accompanied, step by step, with a mental evolution looking toward mental fitness. This is the process by which a beneficent Nature moves steadily toward a higher dispensation. That this not only is so, but could not be otherwise, a moment's thought will demonstrate.

Until comparatively recent times it has been the fashion to consider the human species as entirely distinct, in the matter of psychology, from all other forms of life. Man was held to be the one being endowed with reason and a soul. Indeed, it is not so very long ago that animals were even held to be incapable of feeling. The movements they made when subjected to pain being accounted for by the convenient theory known as automatism. Such psychic conceptions constituted an insuperable barrier to a scientific understanding of man in the fullness of his nature. To divorce the human race from its immediate progenitors was to leave it psychically stranded on the reefs of dogma, with no possible means of again communicating with the great mainland of biological existence.

We now know, to quote Prof. Haeckel's, "The Riddle of the Universe": "Man's power of conceptual thought and of abstraction has been gradually evolved from the non-conceptual stages of thought and ideation in the nearest related mammals. Man's highest mental powers — reason, speech, and conscience — have arisen from the lower stages of the same faculties in our primal ancestors (the *simiae* and



## GILLETTE'S INDUSTRIAL SOLUTION

*prosimiae*). Man has no single mental faculty which is his exclusive prerogative. His whole psychic life differs from that of the nearest related mammals only in degree, and not in kind; quantitatively, not qualitatively." Thus we are led to see that man's psychic life is no exception to the general rule, that every individual existing to-day is in all ways indissolubly connected with his past in its entirety. Indeed what is commonly called the soul, is in all probability a purely cellular matter dating back for its genesis to some of the earlier forms of life.

It has been shown that all the Protists exhibit loves and hatreds, attractions and repulsions, and seeming evidences of will and selective choice. These reveal themselves in what are some times called their "*tropisms*," as the "striving after light and darkness, heat or cold, and in their different relations to positive and negative electricity." In the words of Prof. Haeckel: "'Attraction' and 'repulsion' seem to be the sources of *will*, that momentous element of the soul which determines the character of the individual. The *passions*, which play so important a part in the psychic life of man, are but intensifications of emotion. Romanes has recently shown that these also are common to man and the brute."

According to Prof. Haeckel the soul of man dates back to the unicellular Protozoa with a simple cell-soul. He holds that the "psychic life of multicellular animals and plants is merely the sum total of the psychic functions of the cells which build up their structure."

It is of considerable importance in view of the too prevalent, erroneous tendency to consider man as possessing a monopoly of these psychic functions, that this point be made plain. The whole trend of science, for the last few centuries, has been to show ever more and more clearly, that Nature has no sharp lines of demarcation. Everywhere we find a sort of spectrum, as it were, like unto that in the department of light, where the yellow merges imperceptibly through the orange into the red, without exhibiting any sharply defined point at which one may say; "here ends the yellow and here begins the red." In electrical parlance we speak of conductors and non-conductors, but there are no perfect conductors and no absolute insulators. Pure silver offers a measurable resistance, and dry air conducts to a certain degree. In biology the story is the same. We are informed by Romanes, that it is impossible definitely to mark the point at which certain faculties arise in the development of lower life forms, for the reason that their faculties merge so gradually, the lower into the higher, as to form, as it were, spectrum-like areas rather than sharp lines. Of one thing, however, we may be certain, that just as there is a physical biological tree showing the evolution of the various life forms, so is there a psychical biological tree exhibiting the upward trend of emotion, intellect and will,—a tree of psychic life, if you please. In his "Mental Evolution in Man" Romanes gives such a tree, the roots of which rest in *excitability* on the level with protoplasmic organisms. Rising from this common root are two root portions which unite to form the main trunk. One of these is called *discrimination* and the other *conductibility*. These are on the level of unicellular organisms. Just above the union of

## GILLETTE'S INDUSTRIAL SOLUTION

these two root portions to form the main trunk we find *neurility*. The right side of the trunk is reserved for branches representing the evolution of the intellect, the left side is devoted to branches representing the evolution of emotions, while the centre, or main trunk, exhibits the development of the will. Just above that portion of the main trunk marked *neurility* is a rightwardly extending branch marked *sensation*, and out of this branch comes *perception*, and out of *perception*, *imagination* and out of that, *abstraction*, and from *abstraction*, *generalisation*, and from that, *reflection* and *self-conscious thought*, touching at this point the highest human level reached by the tree. Starting again at *neurility* and keeping to the main trunk we have *reflex action* and *volition*. Directly to the left of *reflex action* a branch is thrust out on the emotional side, marked *preservation of species and of self*. From this branch come all the emotions, the upwardly extending branch being marked as follows: "Social, partly human, human, savage, civilised."

Since for our purpose it is only necessary to show the general trend of this development, and to make clear the immense importance of our psychical history, it will not be necessary to go more at length into this chart. Romanes asserts that choice is found, in its simplest manifestations, at least as low down as the insectivorous plants, which he says are certainly not agents capable of feeling in any proper sense of that term. He tells us that *Amoebæ* is able to distinguish between nutritious and non-nutritious particles, and to perform an act of adjustment to take advantage of this discrimination. Furthermore some protoplasmic and unicellular organisms are, we are told, able to distinguish between light and darkness, and so to adapt their movements as to seek the one and shun the other. We are informed that the *Medusæ*, representing the first appearance of nerve structure in the upward march of evolution, have special sense organs capable of distinguishing with comparative delicacy and rapidity between light and darkness, and probably also between sound and silence, as well as other useful and specialised organs. As low down as the *Mollusca* we find animals choosing their mates and remembering a particular locality as their home. Insects and spiders, it is said, possess a power of muscular coördination, and of intelligent adaptation, surpassing that of the lower *Vertebrata*.

We might enlarge almost indefinitely upon the intimacy of the relation, in every department of his being, between man's present and all of his past, but we believe enough has been written to fasten upon the attention the fact that every structure and every function, every appetite and every faculty, slowly and labouriously through countless thousands of years, differentiated itself out of primitive life-stuff and life-conditions.

It is important again to observe that, *pari passu* with physical development, there goes on a psychic development, and it is worthy of note that Nature seems to place more value upon psychic development than she does upon physical development. The reason for this view is found in the fact that pleasure is, in the main, constructive and organising, while pain, on the other hand, is usually destructive and disorganising. The explanation of this condition of



## GILLETTE'S INDUSTRIAL SOLUTION

affairs is not far to seek and is plainly stated elsewhere herein. Now, experience tells us that *certain* physical pleasures are disorganising in seeming defiance of the general rule. If we examine the matter closely, however, we shall find that these physically disorganising pleasures are destructive *because they entail psychic pain*. On the other hand, physical sacrifices may be highly organising because of the psychic pleasure accompanying them. It is not to be expected that these considerations will be noticeably prominent in the lower forms of life, but they will become more and more prominent, *and ultimately entirely dominant*, as the life drama proceeds toward its climax. He who sacrifices his dinner, thus entailing physical hardship in order that he may feed the starving, is likely to find that the psychic pleasure overrides the animal suffering, and leaves a net gain of constructive happiness. This is only to say that Nature's path is upward from the animal to the spiritual, but is not that enough to say since it shows the millennial glory which awaits the human race and indicates to all who have the eyes to see and the brain to understand, that the time is approaching with the slow certainty of fate when the survival of the fittest will be also the *survival of the best*? All natural lines converge to that point,—the burning spiritual focus which shall light the dawn of the new day.

We cannot refrain, before leaving this portion of our subject, again to call attention to a significant consideration, because of the wide application it will have in a social connexion.

Both Spencer and Romanes have called attention to the fact that there is a necessary and intimate relation between the possession of organs capable of performing certain acts, and an intelligence sufficient to direct those acts in a way to secure an advantage;—in short, that there is a coördination between physical and mental fitness. For example, of all birds, parrots are the most intelligent, being able more than other members of their class to use their feet, beaks and tongues in the examination of objects. The elephant's trunk has an intelligence to match it, while the superior intelligence of monkeys and men may be considered as correlated to that marvelous prehensile instrument, the hand.

We are told that generally throughout the animal kingdom the powers of sight and of hearing bear a direct ratio to the powers of locomotion. Were we to examine, with scientific accuracy, the sense tools of our own friends, we should find them in the main good indices of their intellectual acumen. The child whose hearing is the most acute, whose sight the keenest, whose touch the most delicate, must have a nervous structure making possible such superior functioning, on the one hand, while on the other, this superior functioning will bring to the mind a wealth of experiences which the less endowed would pass idly by, and which will react upon the growing personality to enrich and strengthen it. The point to be remembered for future reference is, that not only does a good sense tool imply an adequate intelligence to direct it, but it reacts upon that intelligence by bringing to it experiences of a value greater than a poorer tool could command. One of the largest facts in the whole social realm is a veritable twin to this generalisation.

## **CHAPTER IV**

I think I could turn and live with the animals, they are so placid and self-contained.

I stand and look at them long and long.

They do not sweat and whine about their condition.

They do not lie awake in the dark and weep for their sins.

They do not make me sick discussing their duty to God.

Not one is dissatisfied; not one is demented with the mania for owning things.

Not one kneels to another, nor to his kind that lived a thousand years ago.

Not one is respectable or industrious over the whole earth.

Walt Whitman.

Let us consider now the life-history of such an animal as we have discovered this sea-fir to be, with the view of noting its essential and special characteristics. It is thus, firstly, a *compound animal*, and may justly be termed an *animal colony*. It consists of hundreds of similar beings, bound together in the closest fashion, and connected by structural ties of the most intimate kind. The sea-fir, moreover, lives colonially, and as an intimately-connected society might be expected to exist — namely, through the apt and regular co-operation of its various members. By "co-operation" we mean to indicate the act of many individuals, who associate themselves for the purpose of forwarding and promoting any given end. Such a result, however desirable, is not always easy to attain in human existence. For the ways of humanity are often the reverse of bland; and the ambitions of mankind frequently serve to blunt the laudable purpose of working hand in glove and without distinction for the advance of a common cause. In "sea-fir" existence, however, the co-operative principle is plainly and perfectly carried out. Each little mouth, each set of tentacles, and each body-cavity is respectively and together engaged in the work of providing the wherewithal for nutrition. Food is seized and digested within each little body-cavity and is thereafter transferred to the general hollow or interior of the stem and branches, through which the nutriment stream is made to pass to every part of the colony. Each little animal of the society draws its own food-supply from the common stream of nourishment it has helped to form; and co-operation, in the way of perfect circulatory provision-store, is thus beautifully exemplified in lower animal life.

Andrew Wilson, Ph.D., F. R. S. E.— *Science for All*.



## CHAPTER IV



HAVING now briefly considered the rise of physical and psychical life, let us consider for a moment the evolution of certain dominant biological traits, in order that we may the better understand the social problem by understanding better the human units which form its dominating factors. We have seen how organisms very low down on the biological ladder are able to distinguish between the "me" and the "not me," and how a little later they are able to differentiate the "not me" into two parts,—that which can be made a part of themselves, and that which cannot. In this way these humble life-forms are enabled to feed and multiply. While it would not be correct to say that they have a liking for certain kinds of food, in the same sense that we would apply that term to a human epicure, it is nevertheless a fact that, in the main, they absorb what is good for them, and reject what is not.

As we climb a few rungs higher on the biological ladder, we can the better observe the operations of these primitive instincts. In the domain of insect life, we find a deliberate avoidance of certain things and a seeking of certain others, and as we come up the biological trunk to the point where man is found at its topmost central branch, this same tendency grows ever apace, till, in the highest civilised men and women, we find efforts put forth, extending often throughout many years, for the attainment of some desired object, or the avoidance of something distasteful. What, now, is the significance of these activities everywhere apparent — activities so general that they may be found in some degree in every biological department, from the lowest life-forms, to the highest product of human civilisation? They are merely efforts everywhere put forth to *compass pleasure* and to *avoid pain*. Not only do we see this drama going on all about us, but, if we look behind the scenes, we shall see that it could not fail to proceed precisely as we observe it proceeding.

Since we are to take nothing for granted that is susceptible of demonstration, let us look a bit deeper into this subject. What do we mean by pleasure and pain? It will not do to define one in terms of the other, first, because such a course is not logical, and second, because there is a neutral or balanced condition which cannot properly be described either as pleasurable or painful. Let us say, then, that pleasure is a feeling which all beings strive to get into their consciousnesses and to keep there, while pain is a feeling which all beings strive to get out of their consciousnesses and keep out. If one man strives to get into his consciousness a feeling which another man strives to banish from his, it merely indicates that the one takes pleasure in that which is painful to the other, a condition of affairs which at once shows that at least one of the



## GILLETTE'S INDUSTRIAL SOLUTION

two is in some degree abnormal. We might also say as a general truth—to which there are relatively few real exceptions, though many seeming ones—that pleasure results from those activities which are *constructive*, while pain results from activities which are *destructive*. How does it happen, then, that all beings naturally tend to like and to seek that which is good for them? The doctrine of evolution furnishes an easy explanation. We have only to suppose that a certain species liked that which was destructive to its individuals, in order to see at once, that such liking, if gratified, would end in the extinction of that particular species. If we take a musical illustration and imagine the forces of Nature as constituting a beautiful, powerful, all-pervading, complex harmony, on the one hand, and then think of all individuals as representing certain tones, we shall be able to see how Nature, sooner or later, quenches to silence every tone not in accord with her own glorious diapason. There is, therefore, no mystery in the fact that all beings tend to seek that which is good for them. *The mystery would arise if they did not show such a tendency.*

If, in the past, myriads of life-forms had insistently sought after that which was not good for them, we should not know it to-day, since they would all have suicided. Since that which harms does not naturally tend to give pleasure, we may say that the whole trend of Nature—that Nature which has persisted, and which will in future continue to persist—is toward pleasure and away from pain. To say that those things which are pleasurable are life-giving, and that the trend of all life is toward pleasure, is only to say by implication what we know to be the case—that *life tends to persist*. It is another way of stating the old saying, “self-preservation is the first law of Nature.”

No organism can preserve itself by engaging in activities destructive to it, and the tendency to avoid such activities, and to seek those of a pleasurable, constructive sort, is a tendency to turn all nervous excitations into certain constructive channels. This is to say, that consciousness would tend to be given over to these constructive tendencies rather than to those of the reverse kind. This, in itself, would tend to make pleasurable paths those of least resistance, and all Nature, *without any exception*, moves along the lines of least resistance.

The end and object of life then is, and ought to be, the securing of the maximum degree of pleasure. This, as we have seen, is only to say, that the end and object of life is, and ought to be, the securing of a condition making for a *continuance of life at its fullest*. The point then ever to be sought is that at which the greatest good shall be rendered to the greatest number. The postulate we so often meet, viz., all men tend to gratify their desires with the minimum amount of exertion, is a direct corollary of the law that all beings tend to seek the maximum amount of good. The statement, all men tend to gratify their desires with the minimum amount of exertion, needs for its ready understanding the almost universally omitted prior postulate from which it is deduced, viz., all beings tend to gratify the maximum number of desires. When put in this

## GILLETTE'S INDUSTRIAL SOLUTION

form we have no difficulty in seeing that those who gratify their desires with the smallest amount of exertion will be able to gratify the largest number of desires purchasable by their store of energy. This is as self-evident as to say that a hundred dollars will buy more things when expended economically than it will when extravagant prices are paid. The importance, from a sociological standpoint, of recognising the truth and the *inevitableness* of these propositions, is our excuse for repeating them. All beings tend to gratify the maximum number of desires possible, and, therefore, all beings tend to gratify their desires with the minimum amount of exertion.

Let us consider this law and corollary for a moment, since, imbedded in it, is the efficiency not only of the human race, but of all life-forms. Think for a moment of the condition which would result if this tendency were reversed, if with Nature, as with young lovers, the longest way around were the nearest way home. Picture in the mind two species of animals, the one gratifying its needs with precision and efficiency, while the other species was inexact and grossly inefficient. How long, think you, would the latter species maintain the struggle for existence? The law of the survival of the fittest would inevitably stop it out, since the inefficiency of its members would be nothing short of suicidal. The effort they expended in getting a meal would be greater than the meal itself would replace, and, therefore, would cause a perpetual and ever augmenting physiological deficit resulting in the speedy death of the individual. We see, therefore, that the whole régime of Nature makes for efficiency with pleasure as its ultimate result. It is probable that the difference between a pleasurable and a painful nervous excitation, is a difference either in rhythm or amplitude of vibration. When Shakespeare refers to discords which rend the ear he comes very near, in all probability, to a statement of scientific fact. To force the component parts of any live tissue to vibrate out of rhythm with their natural oscillations, or to vibrate to a much greater or a much smaller amplitude than is normal, would produce a rending strain of a disorganising and painful nature. A musical discord occurring in the midst of a harmony forces the drum of the ear to make unrhythmical oscillations and produces a painful sensation of dissonance. We do not know enough of just what occurs in the nerves to create in the consciousness sensations of pleasure and pain, to predicate beyond a peradventure that pleasurable nervous impulses are rhythmic and harmonious, while painful ones are unrhythmical and inharmonious, yet there is much warrant for believing that pain and pleasure are a sort of neural noise and music. Be this, however, as it may, it is sufficient for our present purposes fully to realise that the inevitable and never-ending struggle for pleasure on the part of man is part and parcel of *Nature's effort to continue the species*.

It is hardly necessary to state that when we refer to pleasure we do not mean mere pleasuring. The pleasures of the species evolve as its psychic life evolves, until a highly civilised individual finds many of his keenest gratifications in activities which are merely



## GILLETTE'S INDUSTRIAL SOLUTION

gratifying to his psychic nature, and which often entail a sort of hardship upon his physical being. That such pleasures continue to be constructive is a fact of the highest importance. It spans the scientific heavens like a bow of promise, since it shows that the feeding of the higher faculties of the soul of a man is of even more importance, in the economy of Nature, than the gratification of many of his lesser physical needs. If, now, we put by the consideration of the individual, and think only of the race, the gratification of these psychic needs plays an even larger part in human development. For an individual to go hungry,—to starve himself, in short, for the gratification of any sort of ideal, would be suicidal to him as an individual; yet were the ideal noble enough, its racial effect might be of the highest advantage. Many a man has sacrificed his physical well-being to a psychic life that has set ahead the clock of civilisation by half a century.

## **CHAPTER V**

Society sat musing, very sad,  
 Upon her people's conduct, which was bad.  
 Said she, "I can't imagine why they sin,  
 With all the education I put in!  
 For instance, why so many maimed and sick  
 After their schooling in arithmetic?  
 Why should they cheat each other beyond telling  
 When they were so well grounded in good spelling?  
 They learned geography by land and tribe,  
 And yet my statesmen can't refuse a bribe!  
 Ought not a thorough knowledge of old Greek  
 To lead to that wide peace the nations seek?  
 And grammar! With their grammar understood,  
 Why should they still shed one another's blood?  
 Then, lest these ounces of prevention fall,  
 I've pounds and tons of cure—of no avail.  
 I punish terribly—and I have cause—  
 When they so sin against my righteous laws."  
 "Of grammar?" I inquired. She looked perplexed.  
 "For errors in their spelling?" She grew vexed.  
 "Failure in mathematics?" "You young fool!"  
 She said, "The law don't meddle with the school  
 I teach with care and cost, but never ask  
 What conduct follows from the early task.  
 My punishment—with all the law's wide reach—  
 Is in the lines I don't pretend to teach!"

I meditated! Does one plant him corn,—  
 Then rage because no oranges are born?

*Charlotte Perkins Gilman — A Social Puzzle.*

This will never be a civilised country until we spend more for books  
 than we do for chewing gum.

*Elbert Hubbard.*

A college degree which is not a certificate that the man is a useful,  
 self-supporting citizen, and a credential that he is a safe man to trust, is  
 simply funny. The education for ornament is good for opera bouffe—  
 papier-mache—in life we want it not.

*Ibid.*

"You don't agree with the sage who said that learning is better than  
 house or land?"

"Well, if it was true when the sage said it then real estate has gone up  
 since or learning has had an awful slump."

*Brooklyn Life.*

## CHAPTER V



ACCORDING to the doctrine of evolution it took hundreds of thousands of years for the biological tree to develop that topmost branch which represents the human species. We have seen how the rudiments of our intellectual life are traceable clear back into the lower life-forms, and we are equally sure that our physical being underwent a similar evolution occupying countless centuries. Just as there are no lines of sharp demarcation in other branches of science, so here we find ourselves utterly unable to say at just what point man emerged from the ape. We do know, however, that the lowest forms of man belong to the ape-class when tested by scientific standards. The fact that apes differ more among themselves, between the lowest and the highest, and that men differ more among themselves, between the lowest savage and the highest product of civilisation, than the lowest man differs from the highest ape, is all that need be established in support of the foregoing thesis. That this has been clearly established again and again we believe no unprejudiced and well-informed person will deny. To say that men differ more among themselves, and apes differ more among themselves, than the highest apes differ from the lowest men, is to admit that the relation between certain apes and certain men, is more intimate than that existing between certain men and certain other men, or that existing between certain apes and certain other apes. How better could apes and men be forced into the one category?

We shall not be surprised, therefore, when we find the upward struggle of man marked, at one point or another, by all those peculiarities which characterised his earlier ancestors. We shall expect to find his intellectual faculties developing step by step with his physical development, for we have seen that physical fitness implies mental fitness. The hand is a wonderful tool for the examination of natural objects, and it presupposes a brain capable of so directing it as to cause a resultant advantage. More than this; the brain reacts upon the hand, and the hand again reacts upon the brain. It is in this way that man evolves. The child repeats the history of the race. He uses his budding faculties to determine the sizes, shapes, weights, colours, etc., of objects in the world about him, and these concepts become, as it were, the raw material of his thought; and just in the ratio that these concepts are *accurate*, will his thought tend to be accurate, for nothing is truer than Herbert Spencer's dictum that no sound fabric of reason can be woven from rotten raw material.

Life is an interplay between personality and environment, and the actions and reactions of these two factors become ever more and

## GILLETTE'S INDUSTRIAL SOLUTION

more complex and significant. The lower forms of life seem often to act reflexly, and so, on the intellectual plane, what we call *instinct* seems to be a sort of psychical reflex,—a racial memory, as it were. We naturally expect, in view of these facts, to look in vain for any moral, mental, or physical sharp line of demarcation between man and the brute.

If we would know what the first men were like, we can form a very close estimate by studying man's ape-like progenitors. Another way of getting light upon the subject of the early life of the race is by studying children, since the child, as we have said before, repeats the history of the race. This repetition, from the lowest life-form up to the developed human being, takes place prior to its birth. After birth it repeats the history of mankind.

When we examine the characteristics of some of the higher apes, we are astonished to learn how like to us they are in certain habits and emotions. We are told, by those who have made a careful study of the subject, that a male and female ape treat their young much as human parents treat their children. The movements of the ape-mother in feeding and caressing her offspring, the seeming pride and pleasure of the father at each exhibition of its developing faculties, are said to be so distinctly human in kind, that no one could fail to be struck with the intimacy of the resemblance. That the larger animals, and even insects, display anger, is a fact too well-known to need more than a passing mention. Until recently it has been the convenient fashion invariably to charge all expressions of emotion or intelligence up to that mysterious thing called *instinct*, but we are now coming to realise that instinct is but a racial memory, on the one hand, while, on the other, the reasoned out acts of to-day may be the *instinctive acts of some far distant future*.

We find the bees building their combs along the very best geometrical lines; we find ants possessed of an intelligence which is almost unbelievable. The latter used the phalanx in their wars centuries before the earliest days of the Roman legions. Some tribes of ants maintain a board of health, a system of justice, and a general social régime, which would compare favourably, in kind, with some of the products of human civilisation. They apparently possess senses that we not only lack, but are entirely unable to explain. The courtship of certain spiders most vividly suggests emotions—some would say instincts—of the strongest sort.

Thus do we see everywhere in the world of living creatures the seeming counterparts of those activities which, in the human family, we denominate as physical, mental and emotional. More than this; if we take a broad view of the subject, we shall find the same dominant impulse running through every living thing, from the highest down to the lowest,—the impulse to seek pleasure and to avoid pain which, as we have already seen in a preceding chapter, is an impulse towards self-preservation. Again, we find everywhere another common tendency, viz., the tendency of every living thing to gratify its desires with the minimum amount of exertion. If this at first surprises us, we have only to think of it stated in an-



## GILLETTE'S INDUSTRIAL SOLUTION

other form to realise its inevitableness. If we say that each living thing tends to pursue a course which will exhibit the greatest possible advantage attained, with the least possible expenditure attached,—in short, to secure the greatest utilisable advantage, we shall have no difficulty in comprehending *what* occurs, and *why* it occurs. It is not hard to see that if an animal expend an amount of energy, representable by say, one hundred, in securing prey which, when devoured, will yield only an energy representable by fifty, the whole transaction will net it a loss; and such transactions, if too frequently repeated, will mean certain annihilation. The animal, however, which expends a hundred units of energy in securing prey representing a thousand units, has nine hundred units of energy as the profit of the transaction, and will stand a much better chance in the struggle for survival, than the one that spends a hundred units of energy in the securing of one hundred and fifty units.

Again, we see here, as in the case of the human family, that the tendency to gratify desires with the minimum amount of exertion is a tendency to gratify a maximum number of desires and, since no individual can desire what, in the last analysis, is unpleasant, we are brought again face to face with the fact that not only with mankind, but that everywhere else throughout all animate nature, the object of life is the pursuit of happiness.

It is evident, therefore, that the activities of the topmost branch of the biological tree, even before they were social activities, yea, even before they were human—even, in fact, before they were the activities of vertebrates—were expended in the pursuit of pleasure. All that has been done since the vertebrates have attained to human estate, as well as all that they have done before, has had this end in view. The isolated savage in his cave, the nomad on the desert, and the highly evolved urban civilizee, have ever been, are now, and ever will be, dominated by this common, absorbing motive—the *pursuit of happiness*.

All the social systems which ever have existed merely resolve themselves into the various methods by which men have pursued happiness, and these systems have been good or bad in precisely the ratio that they have *administered to the happiness of the human race*. By this reasoning we see that a system which produces misery condemns itself by its own product, and, just as individuals fail in life's struggle when the good they obtain does not show a sufficient surplusage over the evil they encounter, so will a system which fails to secure the maximum of good for the minimum of effort, or in other words, the maximum of *utilisable* good, be crowded out by a rival system attaining those beneficent results. In the end the fittest must survive, and ever, as time goes on, will the fittest approach nearer and nearer to the best.

Since, then, the activities of all forms of life are directed toward happiness, and since perfect happiness is only to be attained by a perfect interaction between the individual and his environment,—which is to say that it can only be reached by coming into harmony with Nature,—and since whatever will not, cannot, or does not come into such harmony is stopped out entirely; and since happi-



## GILLETTE'S INDUSTRIAL SOLUTION

ness is good and unhappiness bad, *we see beyond a peradventure that the whole course of Nature—slow and albeit painful it may seem at times—makes toward good.* Truth is but consistency with genesis—a concord with Nature, if you please; while falsehood is a discord in process of obliteration. *Here is the star to which your optimist should hitch his wagon!*

## CHAPTER VI

A mosquito she sang to the little boy Sammy,  
Sleep, baby, sleep!  
I'll fix up the tariff; you trust to your mammy.  
Sleep, baby, sleep!  
After election we'll make all amends,  
And put the old tariff in the hands of its friends.  
Sleep, baby, sleep!

I'll scare the old guard by threats of a panic.  
Sleep, baby, sleep!  
The farmer I'll fool; likewise the mechanic.  
Sleep, baby, sleep!  
Again I'll play both ends against the big middle,  
And whoop 'em all up with the roughrider's fiddle.  
Sleep, baby, sleep!

Out of the people the money is welling.  
Sleep, baby, sleep!  
Business is fine, and the trusts they are swelling.  
Sleep, baby, sleep!  
Even children are working like the old Nick,  
For Father will vote the Republican tick —  
Et. Tut! Little Sammy, it's naughty to kick.  
Sleep, sleep, sleep!

*Uncle Sam — The Public.*

Whether Trust-Busting is profitable or not we leave to our friends in Washington. But this is true: To trust is to bust, and also to buy on trust is to busticate. People who do not spend their money until they get it are the only ones who are really on a solid footing.

*Elbert Hubbard.*

*It is naught, it's naught, saith the buyer: and when he is gone his way, then he boasteth.*

*Proverbs XX. 14.*

The selfish wish to govern is often mistaken for a holy zeal in the cause of humanity.

*Elbert Hubbard.*

## CHAPTER VI



IN the foregoing chapters we have given a brief evolutionary explanation of those cardinal facts of human development which will be found of greatest significance in the consideration of the social problem. We feel assured that all of our readers whose activities have fallen along scientific lines, and who find themselves without teleological preconceptions, will be able to accept what has gone before as a just, if somewhat hasty and incomplete, presentation of facts. What then shall be said of those who do not follow the so-called scientific method, who insist upon teleology, and who make urgent appeal from Sir William Hamilton's law of parsimony in logic? We believe it can be shown that, so far as our present needs are concerned, the religious view and the scientific view both come to one and the same point. It is most desirable that this should be made clear in order that all of our readers may find a single common point of departure.

The different phases of religious thought are far too multifarious to permit of separate treatment, and we are compelled, therefore, to deal only with those broad generalities which are common points in most, if not all, religious beliefs. The characteristic which shows perhaps the widest community of all the attributes of religious thought, may be summed up in the one word, *teleology*. On every hand do we find the religious teacher stating the problem of life in terms of a final advantage to be secured. To the average Christian, life with its pains and pleasures, is but a school with its tasks and its rewards, its purpose being to fit the student for another life to come. Everywhere in religious circles do we encounter this abiding faith in the purposefulness of creation and all that therein is. The average, or typical, religious mind seems instinctively to recoil from any other idea than that of a primordial Architect who constructed all things in the beginning with a full and complete knowledge of what the end would be. That some believe that their every act was rigidly foreordained, while others believe in free-will, so called, does not affect the antecedent fact of an Omniscience which arranged all things according to His own will. Neither does the fact that there can occasionally be found human beings, whose habits of thought would be characterised as religious, who yet are not insistent upon dogmatic teleology, alter the general statement that the belief in a divine, purposive creation and ordering of all things, is all but universally prevalent in religious circles. The details of belief vary as climate, race and location vary. Take from the Christian his faith in a conscious, personal existence after death, and he will generally tell you that there is nothing left of account. To the Oriental mind, on the other hand, the insistence of the Christian that his

## GILLETTE'S INDUSTRIAL SOLUTION

little, insignificant *ego* shall be eternally perpetuated trenches upon the ridiculous. They of the rising sun are looking eagerly forward to the time when they shall *lose* their circumscribed personalities by mergence in the infinite Godhead.

That religions which are seemingly at opposite poles of thought often exhibit conditions of substantial identity will be seen by a momentary comparison of some phases of Pantheism and of Christianity. If there are two things of which the average Christian is quite sure, they are these. First, that the ancient Pantheistic doctrine is rank Paganism, and second, that a Christian is not a Pagan. Yet the Pantheists held that everything was a part of God, while the Christian holds that God is *infinite*. Now it is a philosophically incontrovertible fact that the universe is not big enough for infinity *plus anything else*, so that to say that there is an infinite being, is by implication to say, *that there is nothing else*. If, therefore, there be an infinite being, it follows that any portion of the universe is a portion of this being,—a statement of the case which well satisfies Pantheism. The curious manner in which the curves of Pantheism and Christianity approach, cross and pass beyond each other, the so-called Pagan belief starting in what some modern critics would pronounce Atheism, and ending in ultra Theism, is well instanced in the following quotation from the "Krauth-Fleming Vocabulary of Philosophy": "*Pantheism*, when explained to mean the absorption of God in nature, is atheism; and the doctrine of Spinoza has been so regarded by many. When explained to mean the absorption of nature in God — of the finite in the infinite — it amounts to an exaggeration of theism."

Among those whose scientific acumen forces them to acknowledge the overwhelming evidence which makes for the theory of evolution, will be found not a few who accept evolution without relinquishing the teleological belief. These, while they admit that the postulates of evolution are true, yet contend that the whole scheme is merely God's method of bringing about a desired result. That the multitudinous religious beliefs, which at various times have influenced various portions of the human race, do not agree with each other, is a condition which need not in the least surprise us. That even the more highly evolved religions of advanced civilisations not only do not agree substantially with each other, but do not even exhibit a perfect consistency among their own parts, is a matter of more significance. Were we to consider prevalent Christian dogmas in the light of their divergences, hopeless confusion would result. It is only when we view them from the standpoint of their likenesses, allowing, if you please, their differences to mutually cancel each other, that we get a proper intellectual, profitable residuum. As the result of this latter course we may assert that Christians, as well as believers in many other phases of religious thought, hold that the universe was created for the use of man by an infinitely intelligent and all-loving Divinity. All who hold this belief cannot but hold, as a part thereof, that this condition of affairs must necessarily result in good to man. A universe which is purposive must either have a directing intelligence behind it, or be *itself* such an intelligence,



## GILLETTE'S INDUSTRIAL SOLUTION

and if this intelligence be omnipotent and all-loving, it must follow that things will be so arranged that the proper kind of life — the ideal life, if you please — will be one of pleasure rather than of pain. Such being the case, the living of an ideal life would be the pursuit of a course resulting in pleasure, and, since nothing can be more legitimate than to make life ideal, nothing can be more legitimate than such pleasures as are the factors of an ideal existence. Thus, from the standpoint of the teleologist, we come to see that the object of life is, and ought to be, the pursuit of happiness and, by implication, that the highest object of life is, and ought to be, the pursuit of such a course as will result in the greatest happiness of the greatest number.

It is manifestly inconceivable that given an all-wise, all-loving, all-powerful Creator, He should adopt any course which would make the proper conduct of life result in anything but happiness. This, we submit, must inevitably follow from the teleological premises laid down — premises which, so far as we are aware — exhibit the widest community of thought to be found among the many otherwise conflicting religions of the world. That these premises and this conclusion do not, in the minds of many, satisfactorily account for the observed existence of pain, and, further, that these same critics aver themselves unable to conceive how an infinitely powerful and infinitely good Being should permit the existence of misery, is a fact to which we need call but passing attention, since it is neither our purpose to sit in judgment over contested theories, nor to emphasise the differences inevitable among minds of widely diverging faculties and habits of thought. We must content ourselves with searching for points of agreement, and among these the one that chiefly interests us is, that all philosophies and religions, with rare and relatively insignificant exceptions, hold that the end and object of human life is, and ought to be *happiness*.

Here, then, is our common point of departure. If, now, happiness be the object of life, the act of living will tend to be a pursuit of happiness, so that whether we believe in evolution without teleology, in evolution with teleology, or in teleology without evolution, we find ourselves able to recognise that mankind will, must, and *ought to*, pursue happiness. This is the whole object of life, and whether life be a success or a failure, whether a social régime be beneficent or malevolent, must be tested from its ability to achieve pleasure and to avoid pain.

We know the reader will not fall into the error of thinking, when we say the object of life is happiness, that we mean mere pleasuring. He will know that we refer to that *ideal* happiness which results, not from *selfish*, but rather from *selfial* activities. A word, however, may not be amiss in explanation of what is meant by the greatest happiness of the greatest number. We must not make the mistake of assuming that a system is to be pronounced good or bad by the total amount of happiness produced. One other consideration enters in, viz., the *quality* of the happiness. If there were but ten people in the world living under a given system, and we were told that this system produced what we might measure as,

## GILLETTE'S INDUSTRIAL SOLUTION

say, one hundred units of happiness, we could not pronounce judgment on the system till we knew whether that happiness were worthy or unworthy. If, for example, we found that in this community of ten one person enjoyed ninety of the units of happiness, and the other nine the remaining ten units, we should have to condemn the system; whereas, we might applaud another system in which the ten people living under it exhibited a totality representable by, say, a hundred units of happiness, but in which each one enjoyed his just ten units. From this it will be seen that the question of *distribution* is a vital factor. If, now, the matter of equitable distribution of happiness is so vital a point, why have we inferentially said that it is only necessary,—when we know the *amount* of happiness resulting from a life system, whether individual or social,—to know further the *quality* of that happiness? This is the reason. *The proper quality of happiness—happiness rich in nobility, sympathy, love and justice, cannot coexist with inequality and the sacrifices it entails.* When we find people happy amid preventable human suffering, we need no further observation to convince us that such happiness is of a selfish and degraded sort. *The highest happiness can never be attained until there be a sensible equality of happiness, any more than the highest liberty can be attained without equality of liberty. The point at which the liberty of some members of a social system transcends that of others is the point at which ideal liberty leaves the system, being replaced by privilege on the one hand, and slavery on the other.* The pampered darlings of fortune living under the present régime, cannot know happiness of the *highest* sort. If they have the psychic structure which enables them keenly to enjoy the nobler delights of the soul, this infinitely delicate machine is perpetually racked and torn by the jargon of discordant and inequitable suffering which beats upon it like an angry sea from every quarter of the social horizon. Contrariwise, he who is so poorly evolved, so inadequately specialised, that the social discords move not his psychic ear, lacks that ineffably delicately attuned emotional structure which would enable him to hear the magnificent harmony that falls, like a soothing benison, from the domain where the greatest good is done to the greatest number.

## **CHAPTER VII**



The growing social consciousness of our times is most keenly stirred by a sense of pain. We are beginning to feel the great common processes of human life; but we feel them, at least, only when they hurt. Our individual distresses we have always felt; and have voiced our anguish and resentment more and more loudly as civilisation progressed. Earlier man—and in particular the unhappy savage, with his unavoidable privations, dangers, and mishaps, and his ingenious systems of self-torture—had more to hurt him, but made far less fuss about it. For many an age the pain of human life has formed so conspicuous a fact that we have called the earth "The Star of Suffering." Our common illustrations of happiness are drawn from the lower animals: "as happy as a clam," we say; "as gay as a lark;" "as merry as a cricket."

The world's greatest religions have rested on a conception of general human unhappiness. Divine curses are held to account for it, Divine blessings to allay it, and a future life to recompense us for it—if we are good; but the basic proposition is the unhappiness of human life. Again, we are given a theory of reincarnation; of a slow transmigration through many lines towards a plane where we do not feel, feeling being admitted to mean pain. In Heaven, Paradise, Nirvana, from the Happy Hunting Grounds and Walhalla to our most refined conception of eternal progress, the bliss of a future life is advanced as some countercheck to the misery of this one, some hope to enable us to live.

*Charlotte Perkins Gilman — Human Work.*

We are often told that it is the curse of trade unionism that it strives to reduce the pace at which men work, and to diminish the output, and philanthropists have brought English workmen over as pilgrims to learn the gospel of speed at its sanctuaries in New York and Pittsburg. But surely speed is not an unmixed blessing. To sacrifice the nerves of human beings to the manufacture of telegraph wires, to offer up flesh on the altar of cotton—is this the wisdom of civilisation? If it is more important to manufacture healthy citizens than machine-made things, then indeed the trade unions have something to say for their policy. And there is an element of insanity in this mad race of overwork between the manufacturing countries—an insanity which shows itself again and again as we examine our industrial system—an insanity which condemns children of seven years to work for thirteen hours a day (or, worse yet, a night) in our cotton mills; which considers the accumulation of money beyond all possibility of enjoyment as a rational object in life; which subordinates every consideration to gain; which makes our stock exchanges resemble assemblies of madmen, and which fills our lunatic asylums and sanitariums with broken down money-seekers, and our morgues with suicides. No unprejudiced person can go into the deafening din of one of our factories without seeing for himself that the pace is far too fast and the hours far too long, and yet our business people are calling for greater speed and higher pressure! It is madness and nothing else! Let us put a stop to this wild revel of production, and if this means smash, by all means smash let it be. Are human beings to be sacrificed forever to the manufacture of gimcracks? Let us found a community for the manufacture of sound and sane men and women; and let the machinery come in incidentally if it can, and if not, let it go. The race of manufacturing, like the race of armaments, is a symptom of the Wall Street-Washington disease. It is a horrible fever that we must get out of the blood. And the first remedy is to prevent the congestion of unearned wealth in one part of the body politic, while the rest is suffering from marasmus. Our Wall Street friends wish to cure the patient by raising his temperature and increasing his pulse. But what we want is not more fever, but more calm—less intensity, more sanity.

*Ernest Crosby.*

## CHAPTER VII



HAVING seen that the object of life is happiness — the greatest happiness of the greatest number — and that the act of living is the pursuit of happiness, we have now to consider the methods used to obtain this object. We shall do well at the start to realise that few, if any, beings live the ideal life — the life in which the greatest good to the greatest number is the dominating and unselfish purpose. On the other hand, there are none of us who are exceptions to the general law that all men seek happiness of some sort. The kind of happiness striven for varies as the individual varies, being rarely totally selfish and depraved, and seldom, if ever, ideally altruistic and unselfish. None are black, none are white, all are some shade of grey. Herein is the crux of the whole social question. The difference between the worst system which has ever inflicted the world, and the best the millennium will ever have to offer, is merely a difference in the *kind* of happiness pursued by the social units.

Just as the survival of the *fittest* can never be the survival of the *best* until the environment becomes ideal, so can the pursuit of happiness never become the pursuit of the *highest* happiness, until the life which is the object of this pursuit becomes an *ideal* life. The whole problem of regenerating society is merely a problem of replacing selfish happiness, as an end sought, by altruistic happiness. When we realise that we can never attain the greatest possible individual happiness save as we find it in the perfect social happiness, we shall have laid down the major premise of millennial joy. Thus is it that man shall find his higher self even by losing his lower self.

Remembering that the kind of happiness sought by an individual varies as the individual varies, let us consider the methods by which man pursues happiness. These methods, of course, will vary, not only as the object sought varies, and as the personality varies, but will also change as the environment changes.

We have seen that the faculties of man are traceable downwards to the very roots of the biological tree, and we shall not be surprised, therefore, to find in primitive man many reminiscences of his ape-like progenitors. In order to form a clear conception of what man is to-day, it is desirable, if possible, to know him as he was throughout his past. How may this end be accomplished? Hundreds of thousands of years have unquestionably elapsed since man, as man, stood upright and walked the earth. The testimony of geological deposits and archæologic excavations prove that man had even made some considerable progress in art as far back as the age of the mammoth and mastodon.



## GILLETTE'S INDUSTRIAL SOLUTION

We have sketches of horses incised on antler, a group of reindeer scratched on slate and a sketch of a mammoth on a fragment of ivory, all from La Madelaine cave, in the Dordogne. These exhibit a vigor of drawing which indicates a very considerable degree of artistic skill, and we know beyond a peradventure, that every one of these sketches was made scores upon scores of thousands of years ago. Prior to this time man must have existed for a very long period in a state of barbarism. If we could go back still farther we should find man in a state of savagery; and could we go to the roots of his savage life we should doubtless find, not a sharp line but a broad area occupied by man-like apes, or ape-like men, whichever we might choose to call them,—creatures beating their hairy chests in rage, and expressing their primitive emotions in wild gestures and inarticulate cries. These gestures we should doubtless find rudely descriptive, and the inarticulate cries would many of them bear, in all probability, a crude likeness to environmental sounds with which the man-ape was familiar.

That we have no records dating back to the time when the first men slowly emerged from brute creation goes without saying. They left us nothing for the simple reason that they had nothing to leave. Thousands of years later, when savagery had evolved into barbarism, man had tools and implements which marked his evolutionary progress, and these he left to future generations. In order, therefore, to understand as well as may be what sort of being the primitive savage was, we must have recourse to various well-known methods for determining his characteristics.

If the child repeats the history of the race, his earliest activities will be those along that ill-defined border-land separating the man from the ape and, in the progress of the child's psychological development, we shall find a guide to the psychology of the savage and, later, to that of the barbarian, and still later to that of the civilizee.

It has been stated that the new-born babe exhibits a strength in clinging to an object, as for example, a spoon, which is out of all proportion to its other activities, and that this strength in a very short time undergoes a diminution quite as astonishing. We have a physician's statement that in one case a new-born babe supported with one arm, approximately all of its weight when the attempt was made to take from it a spoon it had seized, and this was accounted for as a racial inheritance from its simian ancestry. Another way of determining the condition of the primitive savage, is by studying existing savages, and then projecting a geometrical line from the highest civilisation, through barbarism, across the lowest savagery now known, and estimating the point at which it would lose itself in brute creation.

The study of child psychology helps us materially in understanding the savage mind, but we are not solely dependent upon this means. It is a curious and significant fact—a fact which forms one of the strongest evidences of evolution—that the human mind, when it breaks down, does so in an order the reverse of that in which it was built up. Those things which were most recently

## GILLETTE'S INDUSTRIAL SOLUTION

acquired are most quickly lost. It is as if the human mind were a temple of stone upbuilt block by block throughout countless ages. When destruction comes the topmost blocks are the first to fall,—the most recent acquirements soonest succumb, while those great, primitive, racial passions and appetites which were a heritage from the lower animals cling with a pertinacity which only yields when life yields. If we find ourselves suprised at this, let us think for a moment how infinitely more wonderful it would be were the *reverse* the case. Suppose, for example, the alienated mind preserved intact the later racial acquirements, while it parted with those coarser, more material and primordial records made in the childhood of its history. We should then be confronted with a most singular phenomenon, viz., the refining and spiritualising of the human mind through injury, which would be to say, that a broken and distorted mechanism yielded a better product than one in a state of physical perfection. That the vagaries of the insane are sometimes held as indicative of ultra-refinement must not be seriously taken in rebuttal, since we are considering the mind as a *whole* and not some one special faculty of it shining, perhaps, with abnormal brilliancy at the expense of all the others.

Still another method of determining the general status, physical as well as intellectual, of primitive man, is what we may call a *priori* reasoning. Having satisfied ourselves of the general order and process of evolution as referable to Nature generally, we may observe that same order in building from our imagination a primitive savage. It is not necessary in this work to apply these methods in detail, and we shall content ourselves with stating briefly the broad results which would follow such an application.

It is a great mistake, albeit it is one we frequently make, to weigh the savage in our civilised balance. With an intelligence but little evolved from what we call instinct in animals, primitive man presents a personal equation having relatively few points in common with the product of civilisation, these few points being the strongest, most radical and most ancient characteristics both of the savage and of the civilizee. We notice in very young children a responsiveness only to external stimulus of a purely sensuous order. It is the same with the savage. The first impulse of the young child, as well as of all other young animals, is to seek food. The most primitive appetite of the savage is the appetite for food. The young child exhibits an exuberance of spirits which has no psychic background which we can discern, so the primitive savage vents his surplus energy in activities which have little, if anything, more than a purely physical significance. The young child is the creature of passion which dominates it at the moment. So, too, the savage. If the child is hungry it eats until satisfied, and would do so without thought of the morrow, though it were told that the food at hand must last it for a week. With the savage the story is the same. After a successful hunt he will gorge himself, in some cases consuming in a day as much as *thirty or forty pounds of meat!* and this without the thought that there is a morrow coming, with many others after it, in which he must fast from lack of food. Thus



## GILLETTE'S INDUSTRIAL SOLUTION

we find some tribes whose digestive functions have been specialised to stand such a régime of feast and famine, going now perhaps a month with next to nothing to eat, and then eating in a single day more than a third their weight of flesh. We are all familiar with the tendency of children to imitate. We know to our cost how little effect the parental *precept* has when brought in conflict with the *example* of a playmate.

Among savages, as among monkeys, imitation is a conspicuous trait. Let the traveller ask a question of some tribes and, instead of answering, they will simply repeat the question in mimicry. In the matter of dress the story is the same. The little girl will don her mother's skirt and proudly march up and down the street, totally oblivious of the ridiculousness of her appearance, just as a New Zealand Maori will proudly enter a mission church with four suits of mixed male and female apparel, one on top of another and his shirt outside of all.

The curiosity of children, their restlessness, their unfitness for sustained intellectual effort, and their extreme dislike of continued physical exertion, all find their perfect parallels in the savage, who is alive to all sensuous impressions, who lives a moment at a time, who will not undergo protracted physical exertion if he can help it, and who is utterly incapable of sustained mental effort. The child's lack of a sense of proportion,—its failure to realise relative values,—is accurately paralleled by the savage. The Maori describing a journey he has taken will describe every minute detail with exactly the same pains he would bestow upon an event of significance. If his path led to the left, then turned to the right, with a peculiar tree on one side and a ledge upon the other, he would give it all to you, though it played a part of no more specialised importance in his story than the sky over his head or the ground under his feet. The young child has no power of abstraction, nor is it capable of disciplining itself. It will not encounter a present hardship to attain a remote advantage. If the advantage be as present as the hardship it may seek the one through the other. So with the savage. His language and his habits show him incapable of any considerable degree of abstraction. Indeed, were we to examine the evidence afforded by philology, we should find that abstractions were such a recent racial acquirement that we should blush for our educational system, striving as it does to bury the child-mind, all alive in its perceptive faculties, head down in abstractions impossible to it.

The savage may encounter hardship in tracking prey for which he hungers, but he will not encounter this hardship on a full stomach in order to forestall a hunger which he does not feel, but which he will feel at some future time. The child cannot benefit, to any considerable extent, by another's experience, neither can the primitive savage. Both the child and the savage show a marked inability to project themselves into the mind of another. Neither can realise in his own consciousness the feeling which accompanies a painful experience inflicted upon another. For this reason, both are savage, both are brutal, both are unsympathetic. The child tears an insect to pieces, or sticks a pin into its playmate with no ade-

## GILLETTE'S INDUSTRIAL SOLUTION

quate realisation of the pain it inflicts, while the savage dances in glee at the writhing of a tortured victim. It is nothing to say that he knows from experience that torture hurts, since the contention is that the feeling it produces is not sympathetically present in his own consciousness. To know that a thing hurts another is no more than to be told by that other, "I feel a pain," but to *sympathetically feel that other's hurt is quite another thing*, and this ability is not possessed either by the young child or the primitive savage.

Again, the young child is destitute of any considerable generalising ability. Likewise the savage, and both are easily deceived by superstitions, whether in the form of necromancy or fairy story. Who has not noticed the tendency of the young child to personify inanimate objects? In savagery we find a significant parallel. Primitive man is wont to regard all activities as personal. He has no conception of natural law. If the sun shines, the wind blows, or the lightning flashes, it is simply because some personality wills it so. The conception of cause and effect is quite beyond his grasp as it is beyond that of the child,—in short, the childhood of the race and the childhood of the man are close parallels. We have only to study conditions of savagery as they exist at this moment to satisfy ourselves of the truth of the foregoing.

If, now, we consider the matter *a priori*, and try to imagine what manner of being the ape-man would naturally evolve into, we shall find the story the same in its broad generalities, albeit marked with less detail. Man's simian ancestors, and back of them the long biological vista, lived and reproduced their kind. In order to live as individuals it was essential that they should have the food-appetite and the means to gratify it. In order to reproduce their kind it was necessary that they should have the sex-appetite and an environment permitting its gratification. If the individual did not eat from day to day, he ceased to be an individual, and his effect upon his species ended then and there. If he did not reproduce his kind his effect on his species was *nil*, though he himself might eat and thrive throughout his little span. We encounter, therefore, at the very root of life two primordial appetites, viz., the food-appetite and the sex-appetite, and the latter of these two, in strength and importance, is second only to the former.

We would naturally expect, therefore, that those activities which are necessary to the securing of food would be the very first to manifest themselves in any department of organic life. This we know *a posteriorily* to be the case. Further, we should naturally expect reproductive activities to play an absorbing part in the drama of evolution. This, too, we find to be the case clear down to the very roots of the biological tree. Since those attributes which are most ancient in life history are also most fundamental, we should confidently expect to find the food- and the sex-hungers the strongest appetites of primitive man, and when, indeed, we examine those savages which more nearly approach our earliest ancestors than any others now accessible, we find little, if anything else, than the food- and sex-appetites, and their immediate outgrowths. If, now, we remember how many of our highest attributes are directly traceable



## GILLETTE'S INDUSTRIAL SOLUTION

to sex-love, how, in short, modern civilised love embraces directly and indirectly most of the strongest human sentiments including sympathy, admiration, reverence, love of the beautiful, etc., etc., we shall form a very fair idea of that wonderful and beautiful super-structure of emotion which was evolved out of what was originally only a blind reproductive instinct. Without this instinct there would have been no union of the sexes and life would have become extinct forthwith; but even had there been some other means of peopling the world there would have been, without this sex-love, no families, no maternal instinct, no father-love, no family relations of any sort. Ancestor worship and ancestor propitiation would not then have existed and religion could not, therefore, have evolved out of either of them. Art and literature, as we now know them could not have come into existence and all the tender hues of romance would have been deadened to a cold and sexless grey. We are prone at this late day, when evolution has worked up the primitive sex-instinct into so many sweet and ineffably subtle forms — forms in which the primordial hunger is so thickly overlaid with finer sentiments — to ignore, often even to forget, the fountain source of it all.

We have seen that the end of life is, and ought to be, happiness,— the greatest happiness of the greatest number; that man tends to gratify his appetites with the minimum amount of exertion, which is to say that he tends to gratify the maximum number of appetites; that the persistence of life itself depends upon this tendency; that an individual, or a system, which ran counter thereto could not survive; that the pursuit of pleasure lies in the gratification of desires; and we now see that the two great primordial desires of the organic world are the food- and sex-desires; and we have further seen that, in the very nature of things, this condition of affairs must obtain.

Civilisation has refined these primitive instincts, has ineffably enriched them both, spreading, indeed, over the latter the magic mantle of tenderest sentiment, but it has been powerless to ignore them, on the one hand, or, on the other, sensibly to lessen their primitive strength. Methods change, fashions change, intelligence changes: emotions become highly specialised; but all this cannot crowd from the highest civilizee the primitive craving of the ape-man. We are, after all, but veneered savages. The primordial flesh is but a few fibres thickness beneath, and ever and anon the veneer threatens to split off, and ever and anon, in individual cases, it does split off. The key to the situation is in seeing things as they are, and this can only be done by seeking to understand them as they originally were. Nothing of purity, nothing of nobility, nothing of sentiment, will be lost by this method — much, very much, will be gained.

## CHAPTER VIII

When we are alive to the nature of our social processes, when we see that production is both duty and pleasure, personal good and social advantage, we shall bend our tremendous powers to develop and educate the productive energy in all our children, and provide the best conditions for its free exercise.

*Charlotte Perkins Gilman — Human Work.*

In every department of human activity the note of brotherhood begins to be struck. Science demonstrates our oneness; philosophy corroborates science; and religion tells us more and more the same story.

*Ernest Crosby.*

In practical truth the happiness of man in what he gets is limited, extremely limited, but the happiness of man in what he does is unlimited. The receiving capacity of our nervous system is soon exhausted, but the discharging capacity has no limit but that of natural periods of rest. The pleasure in expression increases with use, the pleasure in impression decreases with use.

*Charlotte Perkins Gilman — Human Work.*

It is of the utmost importance that a nation should have a correct standard by which to weigh the character of its rulers.

*John Ruskin.*

Everywhere in life, the true question is not what we *gain*, but what we do.

*Carlyle.*

Just as no man can have a right to the land, because no man made the land, so no man has a right to himself, because he did not make that self.

*Robert Blatchford — Merrie England.*

Even right action seems to bring evil consequences, if we have respect only to our own brief lives, and not to that larger rule whereby we are stewards of the eternal dealings and not contrivers of our own success.

*George Eliot — Felix Holt.*

## CHAPTER VIII



MAN is the unit of society. His personality and his environment form the two great factors of all social questions, since, in the interaction of these two factors, is to be found all that we know, or ever *can* know, of sociology. It is for this reason that we have spent so much space in showing the genesis of primitive man, and in roughly indicating his intellectual and emotional status.

It has seemed to us that many writers upon social subjects make a grave mistake in not more carefully portraying the personal part of their problem. Since a society is but a relation between individuals, how may we hope to understand the *relation* if we know not the individuals. On the other hand, could we *perfectly* know the individuals, this very knowledge would teach us their interrelation, just as a perfect knowledge of a friend would enable us to predicate just what kind of companion he would choose as an associate. We cannot, it is true, either in the one case or the other, acquire this perfect knowledge, but we shall gain immensely in the truth of our final deductions by every approach we can make toward it. We must strive to see primitive man as he originally existed, stripped of all those later acquirements which were the hard-earned fruitage of after ages.

It may be asked why we have been at such pains to consider the primordial savage at all, since he was not a social being, and did not occupy a social status. The answer is a repetition of what has already been said. The present is but the sum of all the past. The individual is but the rounded total of his history, and by studying this history, we shall come to know when and how the race made certain grave mistakes, on the one hand, while, on the other, we shall see how it happens that certain of the factors of our modern society which are held to be as sacred and as unassailable as if of divine origin, are yet false in principle and malicious in practice. If we succeed in this undertaking we shall be more than amply repaid for the effort put forth.

Let us now consider how primitive man, possessing a food and a sex-hunger as his controlling appetites, would set about in his search for pleasure. He would have, of course, something of the family instinct, since the habit of mating and rearing young would have been bequeathed him from his simian ancestors. Nothing, however, in the nature of society would exist, for the primitive savage was not a social being. Indeed, unable as he is to temper his own desires to those of others, association is practically out of the question. The male and female, endowed with the instinct inherited from lower life-forms, do, to be sure, bestow some measure of care



## GILLETTE'S INDUSTRIAL SOLUTION

upon their offspring during their years of helplessness, but the family ties are so weak that, as the male child approaches manhood, he not infrequently engages in deadly conflict with his own father. We find a similar condition of affairs in the case of animals, as, for example, with cats and their kittens.

The dominant appetites of the primitive savage are such as make against any closer association with his kind than that which is necessary to the gratification of these desires—a necessity which ends with the choosing of a mate and the rearing of offspring. Having no conception of what coöperation means, being totally unable to join with his fellow savage to advantage in the quest for food, he soon comes to regard the presence of another savage within his own zone as a trespass which endangers himself and lessens his food supply. Destitute of anything which may fairly be called an ethical standard, he regards everything he wants as his own, if he can get it. We do not mean by this that he reasons about it, or that he has evolved an elaborate conception of ownership; what we wish to convey is the thought that he imposes no limit whatever upon the gratification of any desire by any means within his power. It is probable that his earliest activities are little more than reflexes; and it is certain that his nature, as a whole, constitutes a *centrifugal*, rather than a *centripetal* tendency, in a social sense. Each individual is unable to see any reason why he should circumscribe his activities for the sake of any of his fellows. What each desires he immediately strives for, and, since each is dominated by the food- and sex-hungers in their most primitive forms, it naturally follows that, in the majority of cases, each will want the same thing at the same time. Such a condition of affairs would inevitably cause perpetual conflict—conflict in which the weaker would either succumb or flee—and, in order to avoid these conflicts without curtailing any of his activities, the individual would naturally shun his fellows *until such time as association yielded an advantage greater than the sum of its disadvantages.*

Under this régime each savage and his mate, with any young offspring they might have, would naturally seek the best unappropriated shelter available. At first this shelter would be little more than a favourable locality, while in a later state of evolution, it might be a cave, or even some rude manufactured shelter of branches. Later on, of course, as primitive implements were fashioned, something akin to a rude conception of ownership would be sure to arise. The savage who had spent much time and labour in making a spear by lashing a sharp stone to a stick, would surely be more likely to hold that he had a better claim to the product of his effort than would his primitive ancestor, who had merely broken from a tree a particularly serviceable limb for use as a club. To fashion any natural object is, in a sense, to personalise it, or, at all events, to give it a relatedness to its artificer which it did not possess in its natural state. Indeed, the rudimentary concept of ownership antedated, in all probability, the advent of man, for we find animals quite able to discriminate between their own possessions and those of others. The well-known example of the dogs of Constantinople



## GILLETTE'S INDUSTRIAL SOLUTION

is a case in point. It must not be thought that this vague sense of ownership which the primitive savage possessed, carried with it any of those moral considerations which now are referable to it. It took hundreds, yea, thousands of years, for our ancestors to begin to learn that, all things considered, it was easier, pleasanter and a vast deal safer, each to create his own wealth, than to try to steal that created by another. It took ages for primitive man to learn that, as a rule, he who could produce could generally protect the product of his labour,—in short that, as a general principle, honesty was the best policy. It was ages before the primitive savage began to perceive this, and we, his so-called civilised children, proudly strutting up and down the ethical altitudes of the 20th century, have not completely learned the lesson yet. *As individuals, we are for the most part, not brazenly dishonest, but as nations we are still pirates, freebooters and highwaymen, whose one question seems to be; "Can we take it away from them?"*

Born into a young world, without tools and implements wherewith to labour, and with no other intelligence than that bequeathed from their ape-like ancestors, life presented something of a problem to our earliest progenitors. That it was not an insuperable problem, was due to the fact that there was no sudden change, everything being of natural and orderly growth. If life's struggle were hard, the individual was measurably equipped to meet it for the simple reason that it was not *radically different* from that which his father had survived. Without weapons of any sort hunting was indeed difficult, but primitive man inherited instincts and aptitudes from progenitors who had secured food and survived without weapons. The point we wish to make, however, is this; sustenance was not to be had without a considerable expenditure of effort. If, therefore, two savages searched the same locality for food, they mutually diminished each other's chances of success, and increased the effort necessary thereto, in short, *they became competitors*.

Now the essence of competition is found in the striving by two or more persons for one and the same thing, and this presupposes the assumption on the part of the competitors that there is not enough of the coveted article to satisfy the desires of all. Later on we shall have much more to say upon this subject, for which reason we will now content ourselves with merely calling attention to the fact that this condition of competition argues an *imperfect and undesirable social state*. Competition only comes in evidence when there is, or is thought to be, a discrepancy between supply and demand, and the keenness of competition is the measure of this discrepancy.

We should perhaps state here that we are using the term competition in its *proper sense of struggle for the attainment of something likely to be lost*. When the effective demand of a given market for potatoes is just one thousand bushels, and when there are just one thousand bushels of potatoes offered to supply that demand, we are frequently told that the buying competition just balances the selling competition, in short, that the demand and supply are just equal. As a matter of fact there is, in such cases, *no effective competition*

## GILLETTE'S INDUSTRIAL SOLUTION

*whatsoever, in its proper sense.* If we imagine, for the sake of the argument in such cases, that there was competition among the buyers, we must imagine at the same time, that there was an exactly equal and opposed amount among the sellers. These two equal and opposite forces would then be mutually annihilatory, would cancel each other, and leave the whole proposition precisely where it would have been had neither existed. Thus we see that, in such cases of balanced supply and demand, there is nothing which can be called effective competition. In the case of the two savages in our illustration, however, there would be the keenest competition, for the simple reason that food was difficult and uncertain of attainment at best, and rendered doubly so by the presence of two hunters in the one hunting zone. The result of this condition would inevitably be either a conflict between the two savages, with the consequence that one would be killed or driven off, or a more peaceable separation for the sake of avoiding such conflict. This would result in either case in a dispersive tendency, since the victor, having once defended his zone and killed or driven off his competitor, would be sure to meet a new intruder in an equally warlike spirit. We see, therefore, that those who regard primitive man as naturally and instinctively a social being are reasoning against the best evidence accessible. Indeed, after thousands of years of civilisation we find the culture of the 20th century in many cases more indicative of savagery than of civilisation. The social sense is even now hardly more than nascent among us, a fact which will be readily realised when we consider how all but totally indifferent society is to an injustice inflicted upon a small or unfavoured portion of its members. Throughout the larger portion of the world women are governed without representation, and punished for the infraction of laws in the making of which they have no hand. Thus are they denied the most fundamental rights to life, liberty and the pursuit of happiness, without one man in five being willing to say a word in favour of their emancipation, while four out of five are willing to talk themselves hoarse in their endeavour to prevent it. We cite this as one of many cases, which might be mentioned, tending to show that we have not yet acquired that active social sense which makes *another's* wrong, *our* wrong, and proves us to be, to this extent at least, our brother's keeper.

We need not be surprised, therefore, to learn that the first men found it easier to keep apart than to live together. We know now that certain animals, as for example sheep, are gregarious, and we are wont to assume that this herding tendency was originally instinctive with them. If we look a little deeper, however, we shall find that such was not the case. Environmental conditions—conditions external to themselves—are quite sufficient to account for this herding tendency. The mutual protection of themselves and of their young, which came from association of considerable numbers, or the increased safety or efficiency attained by hunting in common, is quite sufficient to account for animal association as exhibited in sheep, wolves, and the like. Now, when we come to consider man, we find a precisely similar condition of affairs. Naturally



## GILLETTE'S INDUSTRIAL SOLUTION

tending to live apart for reasons already explained, we find that men are only forced together by external pressure. Indeed, it is by this very external pressure that society, and consequently civilisation, has been made possible.

Let us take an imaginary case as an illustration of how this might, and in some cases probably did, come about. Certain areas of the earth's surface offered much more suitable habitats for primitive man than others, and these favoured localities, supplying more readily accessible nutriment, would tend to develop a considerable indigenous population, on the one hand, while on the other, they would be much sought after by savages occupying less favoured tracts. The net result of these tendencies would be, that for any particular, favoured area, the population would inevitably tend to outrun the limits of subsistence.

In arriving at this conclusion we must not fail to take into consideration the immensely important fact that socially unorganised savagery *does not proportionately increase its productiveness when it increases the number of its individuals*, so that with the natural productiveness of a given area, however favoured, remaining sensibly constant, or, as would really be the case, continually diminishing, the time would soon come when further increase of the population would be checked by the difficulty of subsistence. At this time, if indeed not before, some of the stronger denizens of the area would push their activities into those zones appropriated by their weaker fellows. Conflicts would arise, and where the superiority of the aggressor was sufficient to render the conclusion a foregone one, the resistance he would encounter would be little, if anything, more than nominal; indeed, in many cases his mere appearance would probably result in his weaker competitor throwing himself prone at his feet. This habit of prostration to signify helplessness and utter subjugation, man may easily have inherited from the lower animals, since we know it to be common among them. Who has not seen a little dog throw himself upon his back with his feet in the air in the presence of a larger dog,—a superior force which he knows it is useless for him to resist.

That primitive man made use of similar methods of abasement is abundantly proved by surviving manners and customs. The act of kneeling, the salaam, even the nod of the head, are all survivals of acts which originally were those of self-abasement and subjugation. Now, when this savage aggressor first found his weaker competitor grovelling at his feet, it is probable that he killed him at once. The fate of the next and still the next, most likely was the same, but the time would inevitably come, either in his case or in that of those who came after him, when it would dawn upon the savage that, instead of killing his victim, he could make him work for him.

It has been said that this condition of affairs very likely grew out of cannibalism, that is to say, that the conqueror who subdued more of his kind than were needed to satisfy immediate hunger, would naturally try to save some of them to be devoured at a later day. This would mean that their lives would temporarily have to be

## GILLETTE'S INDUSTRIAL SOLUTION

spared, and, during this interval, they naturally would be compelled to make themselves useful. Under this condition of affairs the conqueror would soon see that some were more valuable for *service* than for *food*, and of these he would make slaves.

It is sufficient for our present purposes if we make it clear that, sooner or later in evolving savagery, the strong savage would conquer and enslave the weaker savage, and that these two would then, as it were, hunt in common to the end that still others would be forced to join them. In this way would conflict enforce association and bring about that condition which formed the germ of all future society and all subsequent civilisation. Since, now, these aggregates of conquest might be concurrently found in many localities, and since, sooner or later, they would be sure to come in conflict with each other, there would result a war between these hordes, eventuating in further conquest and enlargement of the victorious horde.

It will be seen from the foregoing how competition, or the struggle of several individuals to attain advantages insufficient to satisfy them all, makes itself felt, at the very start, in the exercise of warlike and destructive activities; and how, as these warlike activities develop, the sphere of competition which originally existed between men as *individuals*, is widened until it guides the activities of conflicting *hordes*, or *tribes*. Further, that since man exhibits a primitive dissociability; and since it is a prerequisite to social evolution, as we know it, that men shall live together in considerable numbers; and since, as we have seen, they will not so live without external pressure which expressed itself in the conquests of war; and since this war resulted from competition, we are led to see that our modern civilisation is the direct result and outgrowth of that brutal competitive struggle which had originally no more of pity or saving grace, than the fang of the serpent, the tooth of the hyena, or the claw of the tiger.



## CHAPTER IX

No man is so wholly right that he can afford to say that another is wholly wrong.

*Elbert Hubbard.*

Nature needs you in her business and will keep you on earth just as long as you are useful.

*Ibid.*

There is a certain friendliness by which we desire at one time or another to do good to those we love. But how if there be no good that we can do? We ought not to wish men to be wretched that we may be enabled to practice works of mercy. Thou givest bread to the hungry, but better were it that none hungered, and thou hadst none to give to. Thou clothest the naked; oh, that all men were clothed and that this need existed not! Take away the wretched, and the works of mercy will be at an end, but shall the ardour of charity be quenched? With a truer touch of love thou lovest the happy man to whom there is no good office that thou canst do; purer will that love be, more unalloyed. For if thou hast done a kindness to the wretched perhaps thou wishest him to be subject to thee. He was in need, thou didst bestow; thou seemest to thyself greater because thou didst bestow than he upon whom it was bestowed. Wish him to be thine equal.

*Samuel McChord Crothers.*

There are thousands of people in the world, poor, miserably poor, and kept constantly in this state by their desire to get something for nothing.

*Dr. J. H. Tilden.*

Man is a Reasoning, but not a Reasonable being.

*John Adams.*

I ask nothing from the world but peace and the privilege of producing work which shall some day belong to it.

*Wagner.*

The MAN who is fitted to take care of himself, in all conditions in which he is placed, is, in a very important sense, an educated man. The savage who understands the habits of animals, who is a good hunter and fisher, is a man of education, taking into consideration his circumstances. The graduate of a university who can not take care of himself — no matter how much he may have studied — is not an educated man.

*Robert Ingersoll.*

## CHAPTER IX



THE survival of the fittest can never be the survival of the best save under ideal conditions. The universal tendency of Nature is to stop out those who cannot, or do not, adjust themselves to the environment she furnishes. Such being the case, there would be just as strong a tendency to eradicate a gentle and sympathetic nature from a brutal and warlike environment as there would be to stop out a brutal and warlike nature from a gentle, sympathetic and highly social environment. Let the environment be such as makes physical force the necessary prerequisite of successful existence, and only those will survive and thrive who exhibit physical force as a marked characteristic. Such being the case, and the world in which primitive man found himself being preeminently one requiring physical prowess for a successful struggle with conditions, we are able to see with perfect clearness, why the life of savagery was a life of constant strife, brutality and bloodshed.

Viewed from a psychological standpoint the same result develops. Possessed of two dominating hungers, and lacking all but the merest rudiments of those finer sentiments which in highly evolved men overlay, temper and all but obscure their primitive appetites, primordial man was an *individualist* to the last extreme. He formed the purest and most extreme example of what we know as the egoistic age. Centred in self, all his acts were prompted from selfish considerations, whether these considerations were consciously rational, or were mere groupings in his subliminal self. Since we have seen again and again that Nature exhibits no sharp lines of demarcation, but rather everywhere a gradual and orderly progression, we shall not be surprised to learn that even this self-centred, egoistic, selfish and brutal savage had yet deep within him little, hint-like stirrings of altruism which were the promise of that ultimate social sense, which, when it shall acquire full head, will sweep the human race into the millennium of perfect brotherhood. Brutal and selfish as were our earliest egoistic ancestors, Nature had yet taken good care to see that their faces were firmly set toward a higher dispensation.

In order that this savage should gratify his sex-appetite it was necessary that he should curb, in some degree, his unsocial tendencies. It was also necessary that he should consider his mate to a certain extent. This he probably did to a relatively slight degree, yet it was a beginning, and he had never before in a similar way considered *any one* to *any degree*. The satisfaction of such a desire is the fundamental basis from which spring all our sentiments, and this primitive mating was the rude parent of all future romance.

When offspring were born sacrifices had to be made for them during their period of helplessness. Nature had taken care of this,

## GILLETTE'S INDUSTRIAL SOLUTION

too, to the end that any species not making such sacrifices were promptly blotted from the face of the earth. Here, again, we see that the natural and inevitable order of things was full of repletion of altruistic promise. The savage pair, guarding their young and sacrificing for them,—even *in kind* as we of the 20th century sacrifice for our children inversely as their merits, doing most when they deserve least, and being able to relax our care as they reach a more deserving estate,—were thus forced to take the first unsteady steps along the path leading toward altruism. In the main, however, and with only these hint-like exceptions, we must consider primitive man as all but utterly selfish, egoistic, brutal, brute-like and unsocial,—in short as exemplifying the highest attainable degree of individualism.

In this connexion it seems fitting to call attention for a moment to the matter of individualism. There is to-day a school of philosophy many of whose members look askance at any proposed régime which seeks to replace individualism, in howsoever slight a degree, by activities of a purely social nature. *They seem to regard the individualistic ideal as a far grander one than the social ideal.* In doing this they are prone to forget that individualism, in its purity, did in the beginning, does now, and, so far as we can see always will, lead straight to strife. *The very badge of war and bloodshed is individualism!* That among savages the self-seeking egoism of individualism will make itself felt with clubs, overt theft and brutal treachery, while among the so-called civilised, it will express itself in Krupp guns, commercial competition, protective tariffs and other special privileges, does not in the least alter the fact that any condition which makes toward unalloyed individualism, makes also in the same degree toward strife of one kind or another. If *physical*, we call it *war*, while if *commercial*, we call it *competition*, yet the wise among us know that the *war of competition* is infinitely more cruel and affects a vastly greater number, than the *competition of actual warfare*. It is more merciful to shoot your enemy through the heart in warfare, than to shoot him through the stomach in commerce. To refine a crime is not to change its essential wickedness. A drunk is still only a drunk though it come from champagne sipped, in the presence of beautiful women, to the entrancing accompaniment of the grandest music ever written.

We have said that unalloyed individualism makes, must make, and can only make, toward human strife, but we have not said that all forms of strife are of necessity bad, or that all degrees of individualism are of necessity reprehensible. The distinction we would impress upon the reader is this, that while *individualism* is found in its most intense forms where man is at his *lowest moral ebb*, and tends ever to weaken as man's moral nature develops, the *social sense* is only found in its highest degree among the *saviours of the human race*, is not found in any considerable degree save where man's moral nature is highly developed, and exhibits *scarcely a recognisable trace* in that primitive savagery which furnishes the most perfect instance attainable of *unalloyed individualism*. From



## GILLETTE'S INDUSTRIAL SOLUTION

this it should be seen that the social ideal is, out of all comparison, a grander and a nobler one than the individual ideal, from which postulate must follow the inevitable corollary that, when the ideals of individualism interfere with those social ideals which by virtue of their superiority have the natural right of way, those individualistic ideals are *wrong*. If evolution means *anything* in *ethics* or in *society*, it must mean that its latest developments, at least when they are the result of an unbroken chain of progress from the very beginning, must be better than its earliest expressions.

The surging stream of evolution may bear upon it, ever and anon, little, insignificant, backward eddies, but its main course is eternally onward; and those things which show an unbroken spectrum of development must ever come nearer and nearer to the ideal as the ages glide by. That this is so, observation teaches. That it could not be otherwise, requires no great logical acumen to prove. We see, therefore, that *individualism* is *egoism*, while the development of the *social sense* is a movement toward *altruism*. We see, furthermore, that nothing worthy the name of society can possibly exist till the primitive savage has replaced a portion of his individualism with a goodly dash of altruism. We live to-day in what is justly called the ego-altruistic age—an age in which the consideration of self usually outweighs that of others—but still an age in which we consider others to a marked degree. Moreover, he who runs may read that the trend of affairs is toward the *altro-egoistic* age where others will be considered more than self, and, through that, to the *altruistic* age, forming the exact opposite of the *egoistic* age.

In this connexion it is interesting to note that, just as the species, existing in the brutal selfishness of *egoism*, cannot be propagated without at least a faint trace of *altruism*, so, in the highest attainable stage of *altruism*, we must expect to find a sufficient amount of *individualism* to maintain the individual life intact for the fulfilment of its social function. Admitting, as it seems to us we must admit, that the demands of *altruism*—the requirements of the highest social state, if you please—must, because of their superiority, take precedence over those of *individualism*, it is still a nice point to determine just how much *individualism* may properly be preserved. We have had good cause to learn well the lesson that mother Nature cares little for the individual as compared with her jealous consideration of the species, and this should teach us that she also cares proportionately little for the individual compared with the society of which he forms a part.

The similarities existing between the social body and the human body are so multifarious and remarkable that Mr. Herbert Spencer has thought well to treat them at length in his "Sociology." A brief consideration of this comparison may assist us in determining how large a part *individualism* may properly have in society. Fortunately for our problem the individual himself is a society. For the human body may be regarded as a society of cells culminating in that social life which has for its result the individual man. If, now, we see what demands this society makes upon its component members,

## GILLETTE'S INDUSTRIAL SOLUTION

as well as what individualism it allows them, we shall be able to form a better idea of the part individualism may properly play in that larger society which is the ultimate object of our inquiry.

In the case of that congeries of cells which we call a human being, the highest, dominating and most essential factor is personality,—in short, the maintenance and unfolding of the human ego. Every function, every activity, every process must subordinate itself to this end. Should an organ fail to do this,—should its activities tend to subvert the aims of the controlling ego, it immediately places itself, by so doing, in a condition of open rebellion. Health can only be maintained by the proper functioning of each organ under the direction of, and obedience to, the conscious and subconscious mandates of the central organism. “If thy right hand offend thee cut it off” may in this sense be literally understood. If one’s right hand in mutiny persisted in trying to pluck out his eyes, and he could not otherwise stop the revolt, he would not hesitate to cut it off. If an organ is attacked by a morbid growth tending to divert to itself the life forces which should go elsewhere, we do not hesitate to remove the organ for the sake of removing the morbid growth, provided the same can be done without inflicting too great a risk upon the corporeal society of which this organ forms an individual factor. When certain parts of the body lose their natural and useful proportions and become enormously enlarged, we know the condition to be one of disease, and we say the part is affected with elephantiasis; and by this condition of disease we know that something has occurred so to alter the proper functioning of that part as to prevent its rendering its just and proper service to the bodily society as a whole. He who should plead, on the ground of individualism, that the diseased part should be given full liberty to enlarge to any extent, even though in so doing it drained the entire vitality of the rest of the body, would be as absurd and unreasoning as he who should suggest the amputation of the head in order that it should not infringe the *individualism* of the hand by seeking to direct it. The great dictum of all Nature seems to be that her big generalities are sacred, and that whenever any conflict arises, she condemns the more particular and decides in favour of the more general.

If man, as a society of cells and a congeries of structures endowed with certain distinct functions, have any rights at all he must have that most fundamental right, viz., the right to exist, and the moment this primordial right to *exist* be given the smallest measure of duration, it becomes a right to *self-preservation*. If, now, this society of cells, which we call *man*, has the right of self-preservation it must have the further right to demand of its component parts such due and proper regard of the desires and needs of this society as a whole, as shall insure this preservation. If this may be said of man as a cellular society, so also may it be said of that larger human society in which man is but an individual cell. And if the life of the cellular society is paramount, and the right to demand of its component parts such functioning as shall insure its health and survival be unquestionable, then is the life of human society paramount, and its right to demand of its component parts such functioning as shall



## GILLETTE'S INDUSTRIAL SOLUTION

make toward the greatest fullness of such life, similarly inviolate and unquestionable.

If, therefore, we accept this reasoning we shall see that *individualism has only such rights as are agreeable to an ideal society*, and that whenever there is any conflict between the alleged right of an individual and the furtherance of a social need, *the dictum of society must prevail*. Each and every right of an individual in any society must square itself with the duty of that individual to render due and proper service to the society as a whole. The end to be sought, the ultimate goal to be reached, the high ideal to be attained, being, in the last analysis, *always social, never individual*.

We beg the reader to remember that all this reasoning inheres in the statement that society has a right to exist, to perpetuate itself, and to evolve; and we further beg him to realise that when society, as at present constituted, imprisons an incendiary, or executes a murderer, it is merely standing upon this fundamental right of self-preservation.

Conversely, were individualism as sacred as some would have us believe — were its rights, in short, *superior to social rights* — the murderer might stand upon his right to do as pleased him without infracting the ethics of those purest of all individualists, our primordial savage ancestors.

We believe enough has been written clearly to indicate that the trend of evolving humanity is *away from individualism and toward altruism; away from the egoistic state and toward the social state*.

Returning now to our postulate that ego-centric man, an individual *par excellence*, must of necessity have lived a tumultuous, warlike and bloody life, so soon as the population in his locality began to press upon the means of subsistence. Let us briefly consider what would inevitably happen after the stronger began to enslave and subdue the weaker. If slavery was assisted by, or grew out of, cannibalism, along the lines already suggested, we shall have no difficulty in seeing how the savage, whose life was spared to-day because he was worth more as a worker than as food, might look forward with trepidation to the time when his captor should change his mind. Such being the case he would bend every effort to make his service as conspicuous as possible. In this he would not be alone, since his fellow captives would compete with him along the same lines. As one after another of the least useful were killed for food, all the remaining captives would naturally redouble their efforts to postpone as long as possible their own evil day. Nor have we need to suppose this as of necessity occurring only among captives. Given cannibalism and a hungry, autocratic chief, enabled to enforce his will, and we can at once see that, ever and anon, somebody would be eaten and, other things equal, this somebody would be the one whom the chief felt he could best spare. Under such a condition of affairs, the subjects, as well as the captives of a powerful ruler, would do all in their power to propitiate him. This for a double reason. First and principally, to avoid his displeasure; second, and collaterally, to secure his favour. That such propitiation did actually take place we have abundant evidence. All of our religions are

## GILLETTE'S INDUSTRIAL SOLUTION

traceable to and are the outgrowth of propitiatory rites, and these rites,— usually though not always bestowed upon the dead,— were, when so bestowed, in most cases but a continuance of propitiations rendered the feared or worshipped being during his life.

Primitive man had no idea of causation. To him, as to the illogical among ourselves, relations of concomitance passed for relations of cause and effect. He slept and dreamed— dreamed that he was hunting. He awoke and told of the chase as well as his crude language and gestures would permit, and was in turn told that he had not been away but had lain all the while where he first went to sleep. When he fainted, was struck senseless, or had fits, similar inexplicable experiences were borne in upon him, till, finally, he was convinced that his nature was dual, that something went away when he slept and dreamed, and came back again when he awoke. As consciousness returned after injury, he was sure that it was only his other self come back from wandering. When he observed a fatal injury, he naturally said of the victim, his other self, his spirit—that is to say his breath—for spirit originally meant breath— has gone forth but it will return. When it did not visibly return he was none the less sure that it actually came back, and that if he did not propitiate it as he had done when it was alive, it might injure him to almost any extent. As this idea evolved and the barbarism succeeding savagery specialised, we find a somewhat elaborate system of necromancy growing out of this belief in the powers of the dead.

It is not necessary to our present purpose to trace the minute ramifications of these beliefs, interesting and instructive as the subject is. It is sufficient that the reader should clearly see how propitiations came to be a natural order of things in the savage horde. The reason why this is vital to our theme will appear in our next chapter, where we seek to explain the evolution of a social custom which the average layman believes to have existed as long as man has existed, but which, in fact, is of relatively recent origin.



## **CHAPTER X**

First freedom, then glory.  
When these fail,  
Wealth, vice, corruption,  
And barbarism at last!  
And history, with all her volumes vast  
Has but a single page!

*Byron.*

The chattel slave had the choice between working for his master and the lash. The wage-earner chose between labouring for an employer or starving.

*Edward Bellamy — Equality.*

Franklin was mistaken when he said that there had never been a good war or a bad peace. Every peace based upon fear is bad, and many a war has been better than peace would have been, merely because the combatants knew no better. The true peace is that of the man or nation that has the giant's strength but scorns to use it as a giant,—that is wise enough to see that the Lord is not in the wind nor the earthquake nor the fire, but in the still, small voice.

*Ernest Crosby.*

So he died for his faith. That is fine —  
More than most of us do.  
But stay, can you add to that line  
That he lived for it, too?

In his death he bore witness at last  
As a martyr to truth.  
Did his life do the same in the past  
From the days of his youth?

It is easy to die. Men have died  
For a wish or a whim —  
From bravado or passion or pride.  
Was it harder for him?

But to live: every day to live out  
All the truth that he dreamt,  
While his friends met his conduct with doubt  
And the world with contempt —

Was it thus that he plodded ahead,  
Never turning aside?  
Then we'll talk of the life that he led —  
Never mind how he died.

*Ibid.*

There is only one cause — Freedom.

*Elbert Hubbard.*

## CHAPTER X



THE struggle on the part of two individuals to avoid a disaster which is certain to overtake one of them, is as essentially competitive as is the struggle of two persons for an object capable only of satisfying the desires of one of them. The two cases are substantially identical. In both a good thing, which can only be meted out to one, is sought by both. In the first case the "good thing" is a place of safety, in the second case, it is an object capable of gratifying a desire. The propitiatory activities indulged in by primitive man were in some cases for the avoidance of evil, in other cases for the attainment of some desired object, and in still others doubtless, for a combination of these results. Whatever may have been the objects sought, of one thing we may be assured, and that is, that a keen, and by no means scrupulous, competition was waged in their attainment. Competition is strife, and strife is not wont to be over particular in the matter of ethics. Many a business man of to-day uses illegitimate means to circumvent his competitor, and we may be sure that his less fertile ancestor did not exhibit any greater moral acumen in the treatment of his competitive adversaries.

Those who are not specially informed on the subject are prone to assume that that primitive trade relation which we call barter is an institution almost as old as the human race. It seems easy for them to believe that primitive man instinctively evolved the conception of exchanging commodities. They apparently believe that as soon as a savage should acquire anything in excess of his immediate needs which he could exchange, the first thing which would occur to him would be to swap it for something else. This all too prevalent misconception illustrates the danger to which we have referred,—a danger which comes from projecting our own minds into the skulls of our ape-like ancestors. If we stop for a moment to consider the psychology of the matter, we shall see that barter could not possibly have arisen until a comparatively late date. We cannot imagine two savages, either one of whom if he dared would have killed the other for the sake of securing the merest trinket, if not indeed for the mere sake of witnessing his agony,—coming together and engaging in such peaceable exchange of equivalent values as argues a tolerably evolved sense of justice.

In the first place, as primitive man was organised, the appearance of another within his zone of activity would have been to him like a red rag to a bull. The first impulse of each would have been not to exchange possessions, but to kill the other and to take whatever he possessed. We must not fail to remember, that to the primitive man, with no effective moral deterrents of any sort, the advent of another



## GILLETTE'S INDUSTRIAL SOLUTION

man was not merely the coming of a dangerous competitor,— a trespasser upon his preserves,— but was an offering of just so much good food for the taking; an animal, if you please, a trifle cleverer and more to be feared, yet quite as good to eat as the other carnivora which added such dangerous zest to his daily life.

As a prerequisite of barter we must have a condition of tacit, or actual friendliness, and at least a sufficient ability to put ourselves in the place of another, as to enable us to form some idea of his rights. Primitive man, on the contrary, lacked this spirit of amity, and was all but totally destitute of ability to see anything but his own selfish desires and the means for their gratification.

Again; we must not fail to remember that barter presupposes a sort of double coincidence. A and B, if they are to engage in barter, must be conditioned as follows: A, must have something which he wants less than he wants that which B has, while B must have this same something which A wants, and at the same time be desirous of exchanging it for A's disposable commodity. Such coincidences would not be likely spontaneously to occur, from which we see that a vast deal of searching would have been required before the two possible members to the transaction could find each other. We have only to realise how dangerous and impracticable such a search would have been among primitive men, to convince ourselves that barter could not have existed until a comparatively late stage had been reached.

We see, therefore, that propitiation would naturally occur at a very much lower stage of development than could possibly give rise to the institution of barter as a deliberate means for improving the condition of primitive savagery, or early barbarism. As a matter of fact we shall be able to show that the institution of barter, like most other institutions, was a gradual growth out of something so radically different therefrom, as seemingly to be incapable of giving rise thereto.

Barter came from propitiatory gifts, a fact which is amply proved by conditions at present existing among savage peoples. In this way we are able to account for the custom among the American Indians of making gifts and counter-gifts, and to explain why it was that the early American trader with the Indians frequently transacted his business by making a present to the tribal chief, and then receiving back from him, as a present, something of equivalent value. In this way we are able to understand the seeming indelicacy of the Indian when he complained that the presents he gave were better than those he received.

Let us glance for a moment at the evolutionary stages of this institution of barter. The savage, in order to propitiate his superior, made presents to him and, later on, when conditions between small masses or between individuals more nearly approached those of equality, so that a conflict at arms would be of doubtful issue, each individual or each mass would indulge in *counter-propitiation*. If the one feared the other, while the other desired the help of the one, such an exchange of propitiatory gifts would be certain to follow. Indeed, we find, even at this day similar exchanges of gifts between those in power.

## GILLETTE'S INDUSTRIAL SOLUTION

There are not a few in this 20th-century civilisation, who call themselves Christians, who yet make a yearly post-Christmas examination of their presents and expenditures to see whether the Yuletide has netted them a profit or a loss. We need not be surprised, therefore, when we are told that primitive man soon learned similarly to balance his accounts and, as time went on, he learned also to make his disapprobation felt if he did not receive an equivalent in value to that which he gave. In this way there grew up the perception that gifts should be met by *counter-gifts of equal value*, and, since that for which a man had no use was not of value to him, the conception was modified to comprehend an exchange of *equally desirable objects*.

*Thus came the concept that barter should be mutually advantageous.* In this way we are enabled to see how barter, which could not have existed at all among our earliest ancestors, slowly evolved out of, and differentiated from a custom satisfied with a much lower evolutionary status for its observance.

The needs of primitive man were relatively few, and as there was then no society and accordingly no coöperation or specialisation of function, he supplied these needs himself. This gave rise to an economic independence which we, in the 20th century, find much difficulty in comprehending. Our needs are so multifarious, our desires so diversified, that it is doubtful if most of us could ourselves supply directly more than a small fraction of one per cent. of them. Modern society is so specialised that those of us who produce at all, can usually produce but one or two commodities which, by the complex cycle of exchange, are transmuted into the thousand and one things we covet. Primitive man, however, had but few desires and these he either satisfied himself, or they went unsatisfied. As the centuries slipped by, however, these desires slowly grew in number, till, in the barbaric age, we find him striving after many things which would have possessed no interest for him as a primitive savage.

Darwin says: "even slow-breeding man has doubled in twenty-five years, and at this rate in less than a thousand years there would literally not be standing room for his progeny," from which we may infer that the struggle for existence was so keen that only a small fraction of those born ever reached maturity. As human multiplication progressed in any favoured locality, the struggle for sustenance on the part of each individual must have undergone a marked change for the worse. This change inevitably would have accentuated the gap between the strong and the weak, the swift and the slow, the fit and the unfit, on the one hand, while it immensely increased competitive strife, on the other. Thus, as a result, would some be reduced to slavery while others would be elevated to the position of rulers. With the advent of such a status competition between masses would arise. Rulers, backed each by the men they could command, would meet in deadly conflict for purposes of robbery and murder. We know that again and again such brutal conflicts have been waged for the express purpose of getting victims to eat, or to sacrifice upon rude barbaric altars.

It would be an interesting task to trace the unbroken chain of man's development link by link from the dawn of savagery "red



## GILLETTE'S INDUSTRIAL SOLUTION

in tooth and claw" down to the civilisation of the 20th century with its wonderful discoveries, its marvellously specialised industries, and its highly civilised men and women, but such a course would be apart from our present purpose, and would, by multiplying details divert attention from essentials.

We know that our primitive ancestors emerged from savagery into barbarism; that they passed through the hunting stage, then the pastoral stage and into the agricultural stage; that they learned, in good time, to supplement their bare hands with tools and weapons, crude at first but steadily improving in workmanship and design; that they passed through their Stone Age, their Bronze Age and their Iron Age; that these Ages were not concurrent throughout the world, some portions of the human race probably being in the Stone Age when others had reached the Iron Age; that propitiatory gifts grew into barter, and barter into trade; and that all these developments—and this is the essential thought to be gained from this knowledge—represented a natural progression and development of man's physical, mental and moral nature. As the understanding of the development of barter into trade is a matter of considerable importance to our present subject, we may be pardoned if we pause to consider it.

As we have already seen, barter is a very inconvenient way of effecting exchanges, albeit a way much simpler among large masses of friendly people than among unfriendly individuals, or among small unfriendly masses. Requiring, as it does, what we have called a mutual coincidence, it follows that considerable difficulty inevitably would have been experienced in the two sides to the transaction finding each other. The hunter who had game to exchange and wanted arrows, would have not only to find some one who had a superfluity of arrows, but also some one who had, in addition, a deficiency of game. It would seem certain, under such circumstances, that where a man had several things which he *could* exchange for a desired object, he would, other things equal, start on his search with the commodity which he thought he could most easily exchange, which is to say, that which he thought *most in demand*. In this way there would easily have grown up the conception of a commodity which should be all but universally desirable.

The constant search throughout many generations for an exchange commodity which should possess the highest possible degree of desirability,—which is to say, one which would entail the smallest degree of effort in its transmutation,—would inevitably result in the invention or discovery of that common denominator of all desires which we call *money*. Among barbarous tribes this money covered, at various times and in various localities, an exceedingly wide range of commodities. In the hunting state the currency used was doubtless skins and furs. We know that the Oriental nations used them as representatives of value, while we are told that leather money circulated in Russia as late as the reign of Peter the Great. Rome, Lacedæmon and Carthage, if tradition is to be relied upon, had leather for their earliest currency. To come down to modern times



## GILLETTE'S INDUSTRIAL SOLUTION

the Hudson Bay Company used skins and furs as a medium of exchange, the price of guns being said to be so many skins.

The currency of the pastoral state was naturally referable to sheep, cattle and the like. Homer mentions oxen as a standard of value. In several languages the name signifying money is derived directly from that of some kind of cattle or domesticated animal. This is true in the case of the Greek, Teutonic and Scandinavian, German and Anglo-Saxon languages. We are told that the counting of kine by the head caused them to be called "*capitale*" whence comes our economical term *capital*, our law term *chattel* and our common name *cattle*.

In Central Africa slaves were used as a medium of exchange in common with cattle and ivory tusks, while in New Guinea we are informed that the slave was the unit of value. It is supposed that even in England slaves were at one time used in exchange as money.

We are all familiar with the use of ornaments as currency, as for example, the wampumpeag of the North American Indians. This was so well established as currency among the natives that in 1649 the Court of Massachusetts ordered it to be received in payment of debts among settlers to the amount of forty shillings. As the North American Indians used wampumpeag as currency, so the inhabitants of British India, Siam, the west coast of Africa and elsewhere on the tropical coasts still use cowry shells under various different names. These shells are collected on the shores of the Maldive and Laccadive Islands and exported for use as money, varying in value according to their abundance, *a fact which is just as true of the money we use in America to-day*, both of them being as much commodities as the things they buy. We are told that the value of cowries in India used to be about one rupee for 5,000 shells, which would make each shell worth about the two-hundredth part of a penny. In the place of cowries, the Fijians used whales' teeth both white and red, the white being exchanged for the red in approximately the ratio of shillings to sovereigns. Some other ornamental articles which have done duty as currency are "yellow amber, engraved stones, such as the Egyptian scarabæi, and tusks of ivory."

The currency of the agricultural state naturally varies from that of its predecessors. In remote parts of Europe corn has been the medium of exchange from the time of the ancient Greeks down to the present day. In Norway, we are told, it is even deposited in banks and loaned and borrowed. In Central America, and especially in Mexico, maize formerly circulated as currency, this article being to that locality what wheat, barley and oats are to Europe. In countries bordering on the Mediterranean, olive oil is used as currency, it having long served in that capacity in the Ionian Isles, Mytilene, some towns in Asia Minor and in other parts of the Levant. In Central America and Yucatan, cacao nuts are used, and probably were anciently used, as fractional money.

In 1618 the Governor of Virginia ordered that tobacco should be received as currency at the rate of three shillings for the pound weight. In 1641 Massachusetts made corn a legal tender and in

## GILLETTE'S INDUSTRIAL SOLUTION

1732 Maryland did the like for tobacco and Indian corn. Some of the West India Islands have at times provided that successful litigants should receive settlement in terms of such articles of raw produce as sugar, rum, molasses, ginger, indigo and tobacco. We are told that eggs have circulated in Swiss villages, and we know that dried codfish has acted as currency in Newfoundland.

Many manufactured and other articles have also done duty as currency. On the banks of the Senegal pieces of cotton cloth were used, and similar articles have circulated in Siberia, Abyssinia, Sumatra, the Soulou Archipelago, Mexico, Peru, and among the Veddahs. Even straw, made into little mats called *libongos* and worth about 1½ pence each, circulated in the Portuguese possessions in Angola down to 1694. The Samoans have also used woven mats as a medium of exchange. Salt has circulated in Abyssinia, Mexico, Sumatra and elsewhere. In addition to salt and cotton cloth, Sumatra has used other curious circulating media, as cubes of benzoin gum and beeswax.

In Scotch villages and also in the coal fields of France, hand-made nails have done duty as money. In the islands of the Pacific Ocean red feathers have performed a similar function, while Tartary has used cubes of tea, and the Malagasy iron shovels and hoes.

It even has been suggested that the finely worked stone implements made of jade, nephrite, and other hard stones, which have come down to us as relics of barbaric man, were quite possibly used as money, since they are found in places far distant from any localities where they exist in a state of nature and must, therefore, have been imported at considerable expense of time and effort.

In discussing the various articles which have been used as currency, a well-known author calls attention to perhaps the most singular of all in these words: "There are some obscure allusions in classical authors to a wooden money circulating among the Byzantines, and to a wooden talent used at Antioch and Alexandria, but in the absence of fuller information as to their nature, it is impossible to do more than mention them."

In the previous volume of the present work we gave a list of a number of other things used as money and, although this list, in a few cases, contains repetitions of articles enumerated above, we think it well to quote it intact as follows:

"Here are some of the things which have been used at various times as money. From 1828 to 1845 Russia used platinum. The Burman Empire used lead, and the Lacedemonians, iron. England under James II. used tin, gun metal and pewter; South Sea Islanders, axes and hammers; Ancient Britons, cattle, slaves, brass and iron; the Carthaginians, leather; China, in 1200, bark of the mulberry tree; ancient Jews, jewels; Africa and Indian Islands, cowry shells; Iceland and Newfoundland, codfish; ancient Russia, skins of wild animals; Massachusetts Indians, wampum and musket-balls; Virginia in 1700, tobacco; West India Islands in 1500, cocoanuts; British West India Islands, pins, snuff and whisky; Central South America, soap, chocolate and eggs; ancient Romans, cattle; Greece, nails of copper and iron; Rome, under Numa Pompilius, wood and leather, and under



## GILLETTE'S INDUSTRIAL SOLUTION

the Cæsars, land. In other cases, copper wire, cakes of tea, pieces of silk, salt, coonskins and cotton shirts have been used, and in 1574 Holland used pieces of pasteboard."

We cannot refrain in this connexion from offering the following brief excerpt from that excellent work by Prof. Frank Parsons, entitled "Rational Money," since it cites one of the most unique methods of representing value with which we are acquainted. The quotation which is found upon pages 10 and 11 of the work cited is as follows:

"Another sort of money used by the Western Indians teaches a lesson our people have shown less power to learn. I heard it described when a boy by an Indian orator who had been educated in our Eastern colleges and who lectured in a most interesting manner on the customs of his people. He said that when a man did a day's work for the government the chief cut a notch in a stick and gave it to the worker, and that notched stick would buy a day's work from any other Indian, or pay for a day's work's worth of the provisions and stores belonging to the tribe, as the product of property they jointly owned, or purchased with the proceeds from sales of their land, etc., or produced or procured by their joint efforts.

"Here was a money without a metallic base, not convertible into coin, redeemable only in goods and services, and yet it kept its value and did justice in exchanges, because (1) it was legal tender by custom; (2) the volume of genuine notches was limited by the method of issue and redemption; and (3) as the speaker stated with peculiar emphasis, 'No Indian was ever known to counterfeit or inflate the currency.'"





## CHAPTER XI

A private good is no more possible for a community than it is for an individual. We help ourselves only as we advance the race—we are happy only as we minister to the whole. The race is one and this is monism.

*Elbert Hubbard.*

Every man must think after his own fashion; for on his own path he finds a truth, or a kind of truth, which helps him through life. But he must not give himself the rein; he must control himself; mere naked instinct does not become him. Unqualified activity, of whatever kind, leads at last to bankruptcy.

*Goethe.*

The thing most specious cannot stand the true,  
Who would appear clean must be clean all through.

*Alice Cary.*

"'Tis weary watching wave on wave.  
And yet the tide heaves onward;  
We build, like corals—grave on grave,  
But pave a pathway sunward.  
We're beaten back in many a fray,  
Yet ever strength we borrow;  
And where the vanguard rests to-day,  
The rear shall camp to-morrow."

All true work is sacred; in all true work, were it but true hand labour, there is something of divineness. Labour, wide as the earth, has its summit in heaven.

*Thomas Carlyle.*

Associate yourselves with men of good quality, if you esteem your own reputation, for it is better to be alone than in bad company.

*George Washington.*

Come, take that task which you have been hesitating before, and shirking, and walking around, and on this very day lift it up and do it.

*Phillips Brooks.*



## CHAPTER XI



WE have shown how the conception of a universally desired commodity exchangeable for all other commodities might easily have grown up in the mind of evolving man through constant attempts, on the one hand, to offer in barter the most acceptable commodity he possessed, in order to minimise the effort of his exchanges, while on the other hand, the tendency to seek such commodity on the part of the other side of the transaction, would make toward the same result. He who was exchanging newly killed game, which was needed for immediate consumption by the buyer, for corn which he himself did not so need, would be sure to consider the convertibility of this corn into potatoes or such other article as he *did* need.

Now, when any commodity becomes an object of desire, not because those seeking it wish to use it directly, but because of its exchangeability for other things, then we may regard that commodity as rudimentary money. We are apt now to think of money as entirely distinct in kind from other commodities, an error which plunges many of our popular conceptions into thick darkness. The only difference between money and any other commodity is the difference in the extent of universality of desirability. Every one who desires any article in the circle of exchange desires money, for the simple reason that money is immediately convertible into that article. This we at once see when we come to consider certain articles, not money, which, for their ready convertibility, are almost as much desired as money itself. For example, uncoined gold and silver have a universality of exchange value scarcely less than the same articles when coined; other precious metals and rare stones enjoy similar distinction to a less degree. We should strive, therefore, to look upon money as we look upon any other commodity, realising that, *as money*, we only covet it because it is the common denominator of all desires. Thus we shall see that when the capitalist buys with his money the farmer's corn, the farmer, in his turn, just as much buys with his corn the capitalist's money, and this money is merely a medium of exchange and does not represent a *finality of desire*. Man is a consumer of *commodities*, not of *money*. It is always commodities he has in ultimate view and, in the last analysis, all exchanges occur between commodities, money being but a convenient ticket assisting in such exchange.

He who produces an article takes it, as it were, to society's storehouse and is given a ticket stating the value of the service he has rendered and authorising him to draw from this storehouse, at any time, in equal value, any commodity he may desire. The ticket which we call *money* is nothing more nor less than an evidence of society's debt for a service rendered, and this consideration brings us face to

## GILLETTE'S INDUSTRIAL SOLUTION

face with an anomalous condition of affairs. We can best illustrate our thought by citing a hypothetical case.

Suppose society to consist of just one hundred individuals turning their produce into a common storehouse and taking therefrom in exchange equivalent values. Under such conditions if A paid into the storehouse one hundred bushels of corn and did not immediately take out any other commodity in exchange, we would naturally expect the society to give him a document acknowledging receipt of his corn, and its indebtedness for an equal value of any of its stored products to be taken at any time. If, now, instead of this preëminently reasonable course, we found this society taking some of its workers away from the production of things which are themselves consumed, and setting them to digging in the earth for a length of time exactly equal in value to the worth of A's corn, in order that they should find a precious metal to hand to A to hold in lieu of his corn during the time when he should permit society to remain his debtor, what should we say of it? Would it not be open to a double criticism? First, because every moment spent in thus digging gold would be a sheer social waste, since it would produce nothing consumable in itself. (For the sake of clearness we are not considering the relatively insignificant use of gold in the arts). Second, should we not condemn it for so comporting itself that its written pledge to A should not be sufficient in itself? If A could *rely upon the exchangeable value of a paper promise*, he would just as soon have it as something which had had a labour value expended upon it equal to its representative value. All he asks for is that, when the time comes, the social storehouse shall recognise his right to draw upon it, and there is no more reason why he should be given an intrinsically valuable evidence of the service he has rendered, than there is that the management of a theatre should print its tickets on gold foil intrinsically worth the seats represented.

An Express Company takes our goods in Boston, gives us a receipt and delivers them to our nominee in Chicago. How dare we let it have our valuables without a gold check intrinsically worth their value? It is nothing to say that, in the event of loss of baggage, the company's receipt would compel it to pay its value, since the same would be even truer in the other case. Neither is it an answer to talk about foreign nations being unwilling to accept what cannot be freely exchanged among themselves. It is not at all desirable that the money of a country should go abroad for any purpose other than trade, and when it goes abroad for trade purposes, it is nothing but a go-between, and, as a matter of fact, the extent to which a nation's money circulates abroad in trade relations is relatively slight and might just as well be negligible. Foreign trade relations are matters of bookkeeping.

It is all but pathetic to hear some of our politicians talk about the great danger of gold exportation in one breath, and then in the next, to object to certain forms of currency because they would be such as they allege could not leave the country. Mixing the money question with banking and exchange, and then failing to realise that all trade relations are exchanges of commodities utilisable in themselves,



## GILLETTE'S INDUSTRIAL SOLUTION

for other commodities utilisable in themselves, through the medium of a third commodity called *money*, entirely worthless in itself, as such, when stripped of its ability to change itself into a utilisable commodity, is one of the best known recipes for so befogging the whole subject as to render solution impossible.

We are accustomed to hear the banking fraternity, and with them those speculators and gamblers who reap harvests by currency fluctuations, talk as if every attempt to establish any other sort of exchange medium had universally met with disastrous failure. They would have us believe that the ideas of such men as Benjamin Butler, Horace Greeley, Wendell Phillips and the like, were full of the errors of childish reasoning, and, in justice to many of them, it must be said that they really believe the statements they make. Of course, the abler among them know perfectly well that their position is false and grossly unjust.

The most essential requisite in money is receivability, and next to this, and scarcely less in importance, is its stability of value. Gold, while it is perhaps the most stable of metals, is anything but constant in value. Gold and silver together form a more stable monetary basis than either one alone. Gold, silver and wheat would be *still more stable*, while gold, silver, wheat, iron, coal, copper, corn, cotton and wool *taken together* would have a vastly greater monetary stability. What we need is a standard which shall not confine itself to one commodity, but shall embrace *all commodities* — a standard, the purchasing power of which can be kept constant — in short, a standard which is a standard, and not a mere *political pretense*.

To show, in a single instance, how misleading are the arguments of the gold fraternity, to the effect that financial disaster has followed close upon the attempt of any country to depart from their chosen golden fetich, we need only to cite the case of the bank of Venice, in some ways the most conspicuous example which history affords. In this connexion we cannot do better than quote from "Rational Money," an extremely able work by Prof. Frank Parsons, omitting, for the sake of brevity, his amplifying footnotes:

"Here we have a currency consisting simply of bank credits having the power of authority of law and usage to pay debts. Men were willing to take bank credits in payment of debts due *to them* because they knew they could use those credits to pay debts due *from them*. They were *more* willing, in case of large payment, to take the credits than coin, because of their superior safety and convenience. And when the law increased the advantages of credits over coin by requiring the payment in bank of all bills of exchange and wholesale purchases, merchants were ready to give a considerable premium for these bank credits which were most convenient in large transactions at home, and were almost essential to extensive commerce abroad. In consequence of their superior advantages as a medium of exchange, these 'irredeemable' bank funds, these 'fiat' book credits without an ounce of gold or silver behind them, went to a premium above gold and silver in all the great markets of the world, and with slight exceptions for more than 400 years the precious metals were at a discount as compared with the funds of the Venetian Bank.



## GILLETTE'S INDUSTRIAL SOLUTION

"Venice had not only the main bank with its 'irredeemable' credits in which large payments had to be made, and the cash office for special purposes, but there were also interest bearing Government bonds, and these bonds with all their interest (profit) and their promise of coin redemption, were quoted at 60 per cent. of their face value, while the bank credits, with no interest and no promise of coin redemption, were at a premium above gold. The quality of paying debts was worth more than the interest and future redemption in coin put together.

*"For six hundred years Venice had no money panic. In this country as many as ten disastrous panics have occurred within a single life — a rate which would have given Venice over a hundred panics during the life of her credit bank."*

"The people of Venice appear to have been entirely satisfied with their bank. Colwell says, p. 294: 'Not an objection to the bank is extant; neither book, nor speech, nor pamphlet have we found in which any merchant or dweller in Venice ever put forth any condemnation of its theory or practice.' On the contrary, the Venetians had every reason to be proud of their banking system. The law that required all bills of exchange and wholesale purchases to be settled in the bank might seem unjust as intended to give a forced currency to the bank credits; but it was found to work so well in practice that it brought an immense accession of business to the city and the bank. In fact the bank became a great clearing house, or place of adjustment for merchants of many countries. Merchants everywhere found it convenient to have funds in Venice. It was for centuries the greatest entrepot of commerce in Europe. And the credit bank was, as Colwell says (p. 289): 'For many ages, the admiration of Europe, the chief instrument of Venetian finance, and the chief facility of a commerce not surpassed by that of any European nation.'

*"The Bank of Venice lasted longer than any other money system known to history, and it clearly proved that an 'irredeemable' legal tender, receivable in the revenues and enforced in the payment of debts, may have far greater convenience, safety and stability than coin or any money redeemable in coin."*

"In his summary, Colwell says (pp. 7, 8.): 'The history of these celebrated banks (of Venice and Genoa) furnishes lessons which would richly repay the most careful attention.'

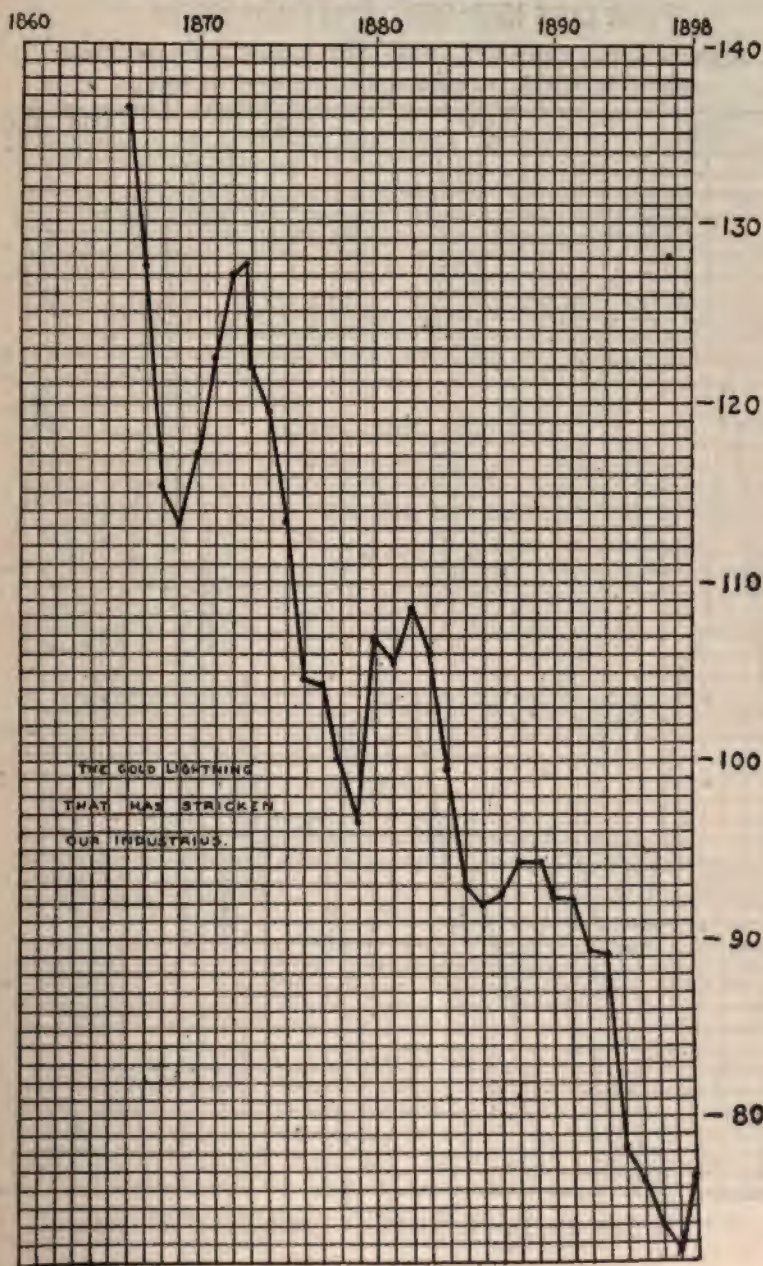
*"They demonstrated the efficacy of circulating deposits as a means of payment, and that the deposits were just as effective when they consisted of a debt due from the government, as if they were gold or silver; and they showed that it was possible to keep the amount of this public debt, as held by the depositors on the books, within a range of amount, which not only prevented depreciation, but kept the deposits always from fifteen to thirty per cent. above gold and silver."*

To show how superior the United States has been to Venice in her ability to get up devastating panics, and for the further purpose of graphically exhibiting the effect of gold upon our industries, we offer the two accompanying charts which are reproduced from the first volume of this work.

That there should still be such a wide divergence of opinion upon

# PRICE LINE 1866-1898 - GOLD PRICES

ALDRICH DATA 1866-1891 "AMERICAN" DATA 1891-8.

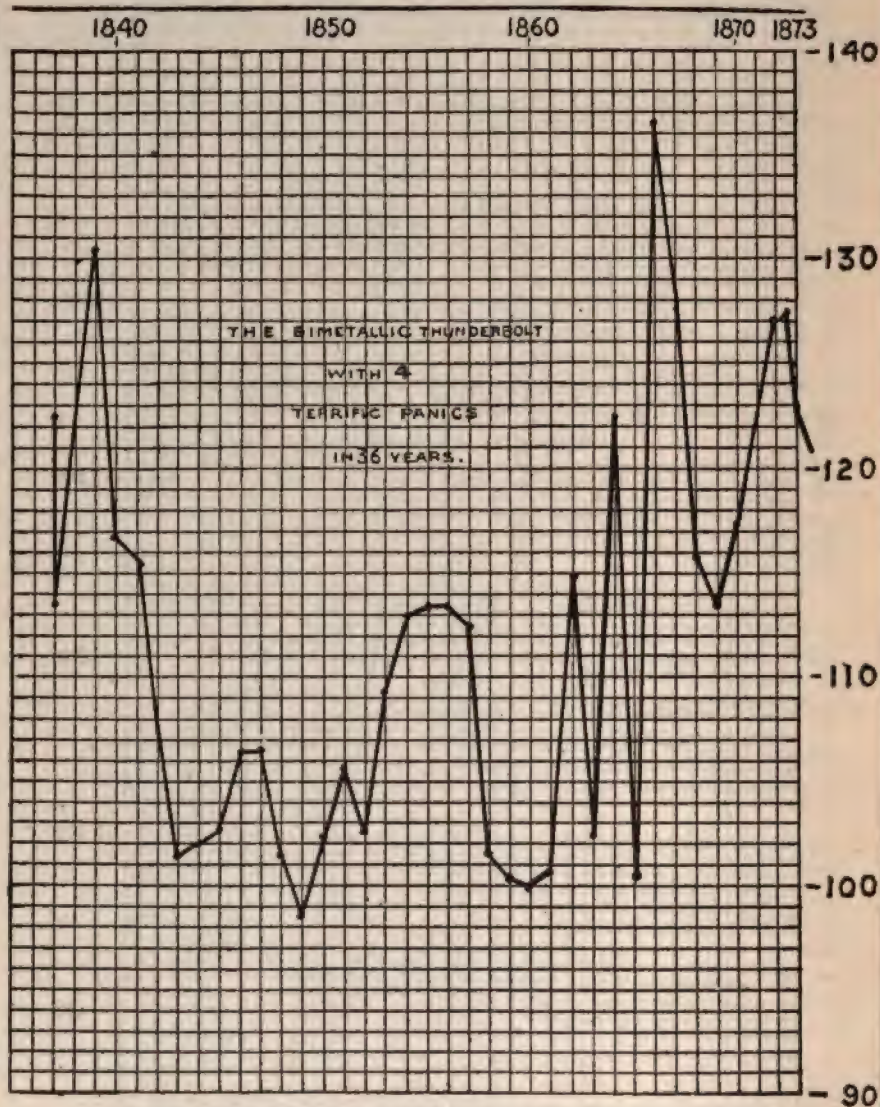


The gold lightning that has stricken our industries.



# PRICE LINE 1837-1873 BIMETALLIC PRICES

ALDRICH DATA 1840-1873.-1837-1840 BROAD ESTIMATE FROM  
DATA OF W<sup>o</sup> G. SUMNER & MULHALL'S CITATIONS.



The Bimetallic Thunderbolt with 4 Terrific Panics in 36 years.



## GILLETTE'S INDUSTRIAL SOLUTION

the money question is a matter which may well surprise us when we find that philosophers, before the dawn of the Christian era, not only understood its essentials clearly, but wrote their views in unmistakable terms. The following, for example, is to be found in Aristotle's *Politica*: "Money (nomisma) by itself is but a mere device which has value only by law (nomos) and not by nature," while in his *Ethica* we find: "By virtue of voluntary convention, money has become the medium of exchange. We call it 'nomisma' because its efficiency is due, not to nature, but to law (nomos), and because it is in our power to regulate it."

Here is the whole question in a nutshell. The efficiency of money is merely a matter of legislation. Indeed, we have not only ancient precept but ancient example also to teach us that money need not have intrinsic value. We are told by Alexander Del Mar, whose authority will scarcely be questioned, that before paper was invented, the highly civilised nations of antiquity used symbols for money consisting of various articles, such for example, as porcelain tablets in China, discs of secret composition in Carthage, while tablets of stamped clay or leather, were used in several other states. Rome had artistic discs of copper, while those of Sparta were of thin iron.

Commenting on these monetary symbols Prof. Frank Parsons says: "The bits of material which represented the numbers, whether porcelain, sheet-iron or leather, counted for nothing. The devices or legends upon them promised nothing. Their value was derived from the legal-tender quality and their numbers; from the legal obligation to receive them for debts, fines, taxes, commodities and services of all sorts, and from the legal interdiction of all other kinds of money. Such numerical monies followed pre-existing commodity monies."

The essential points of the theory of what has been called the *multiple standard* in money are so ably set forth by Prof. Frank Parsons upon the inside cover of his pamphlet entitled "Rational Money," that we think it fairer to his views to quote his own words than to attempt any shorter statement.

### "The Power of Paper, with the Multiple Standard."

"The essential attribute of money is general receivability. Money should not be a promise to pay, but to receive, and to see that others receive. Next to receivability the most vital fact of monetary science is the movement or non-movement of the money volume. Through this prices may be controlled, a rise or fall produced, or a rise or fall from other causes prevented, or checked and cancelled if it has occurred. Power to control the money volume is power to do justice or injustice between debtor and creditor, labourer and employer, buyer and seller, landlord and tenant, interest receiver and entrepreneur; power to increase the weight and value of every debt public or private, power to produce panic or prosperity, power to regulate industry and determine the distribution of wealth. Such power is an attribute to sovereignty and ought to belong to none but the sovereign people. The money volume should no longer be left to chance or private manipulation, but subjected to intelligent control in the interest of the public.

## GILLETTE'S INDUSTRIAL SOLUTION

"Steadiness of value is the morality of the dollar. An appreciating dollar robs debtors and depresses industry. A depreciating dollar robs creditors and may lead to feverish speculation. The creditor should receive the same purchasing power that he lent, the same command over commodities, services, all the means of life and happiness. To accomplish this the dollar must not be based on a gold standard, for the purchasing power of gold is not constant, but exceedingly variable. The same is true of the bimetallic standard in a slightly less degree. The average purchasing power of gold and silver vibrates a little less than gold alone. Two commodities may be better than one, but 100 or 200 or 500 commodities make a steadier base than two. A list of all commodities would be constant in the sum of its exchange values. If the value of one commodity fell the others would gain what it lost,—their purchasing power over *it* would be increased in the same ratio that its purchasing power over *them* is diminished, and vice versa if one or more commodities rise in exchangeable value the others fall in like ratio. The true standard is a list of all commodities each one being entered according to its importance in consumption and expenditure. The nearest practicable approach to this is a long list of commodities weighted according to importance, each commodity being entered in such amount as to have the same value relatively to the total value of the list, that the consumption of that commodity has to the total consumption of the community. The nearest to *all* commodities is a large number of commodities so selected as to fairly represent the various parts and classes of the whole. It is this composite or Multiple Standard which justice and progress require us to adopt. A national paper money regulated in volume so as to be in harmony with this standard will constitute a mighty power for justice and prosperity."

Man seeks to gratify his desires. He wishes many things which he cannot personally produce and produces more of given things than he personally needs, and the value of all production is, in the last analysis, a *labour value*. How shall A exchange a portion of the produce of his labour for an equivalent portion of that of B? How shall he make his surplus fill the cavity of his deficit? In his first exchange relations he did this by a direct exchange of the commodity he did not need, for that which he could utilise in itself. After hundreds of years of this sort of thing it was discovered to be a very inconvenient and labourious way to the results desired, though it is probable that here, as elsewhere in the natural order, there was no sudden change, and that even the realisation of the awkwardness of barter was a gradual growth along with the régime which replaced it. It is probable that articles more and more nearly approaching universality of desire gradually led up to the adoption of representative money. We know that the precious metals were some of them long used as money before they were coined as such, the device of coining being simply a labour saving scheme to prevent perpetual weighing and assaying. Indeed, even coining as we know it, was too radical a change to come all at once. At first the stamp marked merely the fineness of the metal without any attempt to fix its weight. Later



## GILLETTE'S INDUSTRIAL SOLUTION

both quality and weight and, therefore, the total value was fixed by the stamp. This substitute for the crude expedient of barter which we call *money*, is one of the greatest labour saving inventions known to mankind. It has been ranked as co-important with the invention of printing. Its gradual rise from propitiatory gifts illustrates beautifully Nature's evolutionary methods.

We have dwelt at some length upon this subject for the reason that it is one of the most important, *and one of the most befogged*, in the whole realm of economics. We have not thought it necessary to go into detail, or to touch upon any except the most salient and fundamental principles.

Adam Smith, the father of modern political economy, has stated some portions of the subject with such luminous clearness that we think it well to quote the following from his "Wealth of Nations": "When the division of labour has been once thoroughly established, it is but a very small part of a man's wants which the produce of his own labour can supply. He supplies the far greater part of them by exchanging that surplus part of the produce of his own labour, which is over and above his own consumption, for such parts of the produce of other men's labour as he has occasion for. Every man thus lives by exchanging, or becomes in some measure a merchant, and the society itself grows to be what is properly a commercial society.

"But when the division of labour first began to take place, this power of exchanging must frequently have been very much clogged and embarrassed in its operations. One man, we shall suppose, has more of a certain commodity than he himself has occasion for, while another has less. The former consequently would be glad to dispose of, and the latter to purchase, a part of this superfluity. But if this latter should chance to have nothing that the former stands in need of, no exchange can be made between them. The butcher has more meat in his shop than he himself can consume, and the brewer and the baker would each of them be willing to purchase a part of it. But they have nothing to offer in exchange, except the different productions of their respective trades, and the butcher is already provided with all the bread and beer which he has immediate occasion for. No exchange can, in this case, be made between them. He cannot be their merchant, nor they his customers; and they are all of them thus mutually less serviceable to one another. In order to avoid the inconvenience of such situations, every prudent man in every period of society, after the first establishment of the division of labour, must naturally have endeavoured to manage his affairs in such a manner as to have at all times by him, besides the peculiar produce of his own industry, a certain quantity of some one commodity or other, such as he imagined few people would be likely to refuse in exchange for the produce of their industry.

"Many different commodities, it is probable, were successively both thought of and employed for this purpose. In the rude ages of society, cattle are said to have been the common instrument of commerce; and, though they must have been a most inconvenient one, yet in old times we find things were frequently valued according to the number of cattle which had been given in exchange for them."



## GILLETTE'S INDUSTRIAL SOLUTION

Similarly we find that another marvellous intellect, John Stuart Mill, stated the case with rare simplicity and precision. We extract the following from his "Principles of Political Economy": "Money, when its use has grown habitual, is the medium through which the incomes of the different members of the community are distributed to them, and the measure by which they estimate their possessions. As it is always by means of money that people provide for their different necessities, there grows up in their minds a powerful association leading them to regard money as wealth in a more peculiar sense than any other article; and even those who pass their lives in the production of the most useful objects, acquire the habit of regarding those objects as chiefly important by their capacity of being exchanged for money. A person who parts with money to obtain commodities, unless he intends to sell them, appears to the imagination to be making a worse bargain than a person who parts with commodities to get money; the one seems to be spending his means, the other adding to them. Illusions which, though now in some measure dispelled, were long powerful enough to overmaster the mind of every politician, both speculative and practical, in Europe.

"It must be evident, however, that the mere introduction of a particular mode of exchanging things for one another, by first exchanging a thing for money, and then exchanging the money for something else, makes no difference in the essential character of transactions. It is not with money that things are really purchased. Nobody's income (except that of the gold or silver miner) is derived from the precious metals. The pounds or shillings which a person receives weekly or yearly, are not what constitute his income; they are a sort of tickets or orders which he can present for payment at any shop he pleases, and which entitle him to receive a certain value of any commodity that he makes choice of. The farmer pays his labourers and his landlord in these tickets, as the most convenient plan for himself and them; but their real income is their share of his corn, cattle, and hay, and it makes no essential difference whether he distributes it to them directly, or sells it for them and gives them the price; but as they would have to sell it for money if he did not, and as he is a seller at any rate, it best suits the purposes of all, that he should sell their share along with his own, and leave the labourers more leisure for work and the landlord for being idle. The capitalists, except those who are producers of the precious metals, derive no part of their income from those metals, since they only get them by buying them with their own produce; while all other persons have their incomes paid to them by the capitalists, or by those who have received payment from the capitalists, and as the capitalists have nothing, from the first, except their produce, it is that and nothing else which supplies all incomes furnished by them. There cannot, in short, be intrinsically a more insignificant thing, in the economy of society, than money; except in the character of a contrivance for sparing time and labour. It is a machine for doing quickly and commodiously, what would be done, though less quickly and commodiously, without it; and like many other kinds

## GILLETTE'S INDUSTRIAL SOLUTION

of machinery, it only exerts a distinct and independent influence of its own when it gets out of order.

"The introduction of money does not interfere with the operation of any of the Laws of Value laid down in the preceding chapters. The reasons which make the temporary or market value of things depend on the demand and supply, and their average and permanent values upon their cost of production, are as applicable to a money system as to a system of barter. Things which by barter would exchange for one another, will, if sold for money, sell for an equal amount of it, and so will exchange for one another still, though the process of exchanging them will consist of two operations instead of only one. The relations of commodities to one another remain unaltered by money; the only new relation introduced, is their relation to money itself; how much or how little money they will exchange for; in other words, how the Exchange Value of money itself is determined. And this is not a question of any difficulty, when the illusion is dispelled, which caused money to be looked upon as a peculiar thing, not governed by the same laws as other things. Money is a commodity, and its value is determined like that of other commodities, temporarily by demand and supply, permanently and on the average by cost of production. The illustration of these principles, considered in their application to money, must be given in some detail, on account of the confusion which, in minds not scientifically instructed on the subject, envelopes the whole matter; partly from a lingering remnant of the old misleading associations, and partly from the mass of vapoury and baseless speculation with which this, more than any other topic of political economy, has in latter times become surrounded. . . .

"The supply of a commodity means the quantity offered for sale. But it is not usual to speak of offering money for sale. People are not usually said to buy or sell money. This, however, is merely an accident of language. In point of fact, money is bought and sold like other things, whenever other things are bought and sold for money. Whoever sells corn, or tallow, or cotton, buys money. Whoever buys bread, or wine, or clothes, sells money to the dealer in those articles. The money with which people are offering to buy, is money offered for sale. The supply of money, then, is the quantity of it which people are wanting to lay out; that is, all the money they have in their possession, except what they are hoarding, or at least keeping by them as a reserve for future contingencies. The supply of money, in short, is all the money in *circulation* at the time.

"The demand for money, again, consists of all the goods offered for sale. Every seller of goods is a buyer of money, and the goods he brings with him constitute his demand. The demand for money differs from the demand for other things in this, that it is limited only by the means of the purchaser. The demand for other things is for so much and no more; but there is always a demand for as much money as can be got. Persons may indeed refuse to sell, and withdraw their goods from the market, if they cannot get for them what they consider a sufficient price. But this is only when they think that the price will rise, and that they shall get more money



## GILLETTE'S INDUSTRIAL SOLUTION

by waiting. If they thought the low price likely to be permanent, they would take what they could get. It is always a *sine quâ non* with a dealer to dispose of his goods."

From the foregoing we have seen how physical competition originally expressed itself in the conquest of the weak by the strong; how, as the result of this conquest, savagery split into rulers and ruled; how it was only through this establishment of the caste of might that the natural social centrifugalism of savagery was so overcome that men were enabled to make the beginnings of society; how the relations between conqueror and conquered engendered fear and led to propitiatory offerings; how out of these offerings came counter-offerings, with a growing tendency toward equality of desirability; how the inconvenience of direct barter of surplus commodities for deficient commodities led gradually to the introduction of an intermediate transaction in which an article all but universally desired, acquired the function of money; and lastly how *utterly insignificant* money becomes if it cannot be transmuted into other and intrinsically useful commodities. We saw, furthermore, the great wastage of human effort which comes from requiring money to represent intrinsic value, and we saw that such a condition of affairs could only reasonably result from a lack of confidence; for, to require that the evidence of a debt should in intrinsic value be able to satisfy the debt, is like saying to a man "I trust you absolutely, but I wish to tie your hands."

Given, now, prehistoric trade relations, facilitated by that great labour-saving device called *money*, we shall be enabled the better to trace man's competitive struggle, and to gather from it the great lesson it has to teach.



## CHAPTER XII

Thomas Jefferson's idea was that the Public Lands of the new nation should not be sold but leased — rented; the rent to be paid into the public treasury for the common good of all — instead of going into private pockets to make millionaires and "privileged classes." And by "privileged classes," "special privileges," etc., is always meant, "privileged in reference to the use and enjoyment of the earth."

*Lee Francis Lybarger.*

I look on that man as happy who when there is a question of success looks into his work for a reply, not into the market, not into opinion, not into patronage.

*Emerson — Essay on Worship.*

Society has long since mastered the difficulties of adjustment with physical conditions, but cannot arrange its own intersocial conditions on a satisfactory basis. "Man's inhumanity to man makes countless thousands mourn," — not nature's. From the Arctic Circle to the Tropics man gets along contentedly enough with natural obstacles; he may be checked and modified in development, but he is not unhappy; he strikes a balance with nature and is comparatively at rest. But in his progressive social development he has not yet been able to strike a balance; his interhuman relations are uncertain and mischievous. So far as history shows us, each social group seems to have carried within it the seeds of disease; to have grown worse as it progressed; and, while conquering all external difficulties, to have succumbed in the end to its own inward disorders. The suffering of an advanced society is not that of one struggling for subsistence, or in combat with enemies, but of one in the throes of disease. Society has safety, peace, shelter, warmth, enough to eat, — and chronic indigestion!

*Charlotte Perkins Gilman — Human Work.*

Government statistics for the year 1890 show that, at that time, one per cent. of the families of our nation received nearly one-fourth of the total income. From the same source it is ascertained that the wealthiest ten per cent. of our families receive about the same total income as the remaining ninety per cent.; that one-eighth of the families receive more than one-half of the aggregate income, and the richest one per cent. receive a larger income than the poorest fifty per cent. It appears that a small class of wealthy property-owners receive, FROM PROPERTY ALONE, AS LARGE AN INCOME AS ONE-HALF THE PEOPLE RECEIVE FROM THEIR INVESTMENTS AND THEIR LABOUR.

*C. C. Hitchcock.*

## CHAPTER XII



THE increase of mankind has, in different conditions of society, a vastly different significance. This is a fact so frequently overlooked as to vitiate a great many of our sociological conclusions. Let the density of population begin to press upon subsistence in the competitive conditions under which primitive man lived, and it would constitute a menace to him serious out of all comparison with that which would confront us under modern social conditions. The reason for this contains a valuable lesson and holds out an alluring hope.

In a recent address made by a well-known railroad president, it was estimated that, taking the yearly increase of the population of the United States by immigration at 750,000, and the excess of the birth-rate over the death-rate at fifteen per cent. every decade, "our population will show these totals; in 1910, 95,248,895; in 1920, 117,036,229; in 1930, 142,091,663; in 1940, 170,091,663; in 1950, 204,041,223."

That these figures need have no terrors for us will be made evident by a perusal of the accompanying diagrams which we reproduce from the preceding volume of this work.

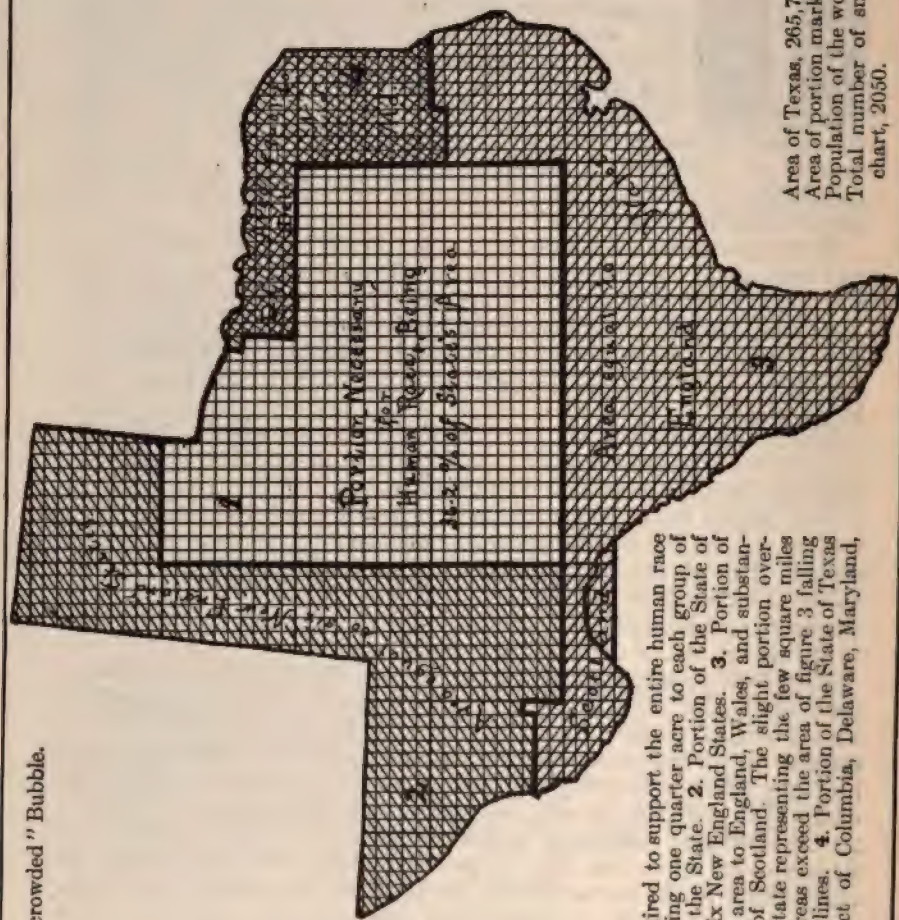
The United States is capable of supporting in affluence a thousand million people, but before we could reach such a result we should be obliged to revolutionise our present unjust, inefficient and egregiously wasteful social system. What, then, is the radical difference between the results which follow increasing density of population on the part of the savage and of the civilizee? Let us explain.

Primitive man, having but few desires, all of which he himself gratified, if they *were* gratified, found himself in the condition where the advent of another man into his zone of activity materially increased his difficulty in satisfying his needs, without conferring upon him any counterbalancing advantages. He did not wish the society of another man, for he was not social, and the presence of another meant continued conflict as well as increased effort in satisfying his desires,—in short, the life of primitive man was an example of competition in all its nakedness; for let it not be thought for a moment that the spirit of competition can only be expressed, or its harshness felt, under modern commercial conditions. We see, therefore, that in the case of primitive man the presence of two individuals in a given zone added not one jot to the productiveness of such zone, on the one hand, while, on the other hand, it divided by two the amount which nature had to offer to each. Here is the essential difference between present conditions and primitive conditions.

Let two settlers come together in a modern pioneer district where formerly but one resided and, while there are two mouths to feed



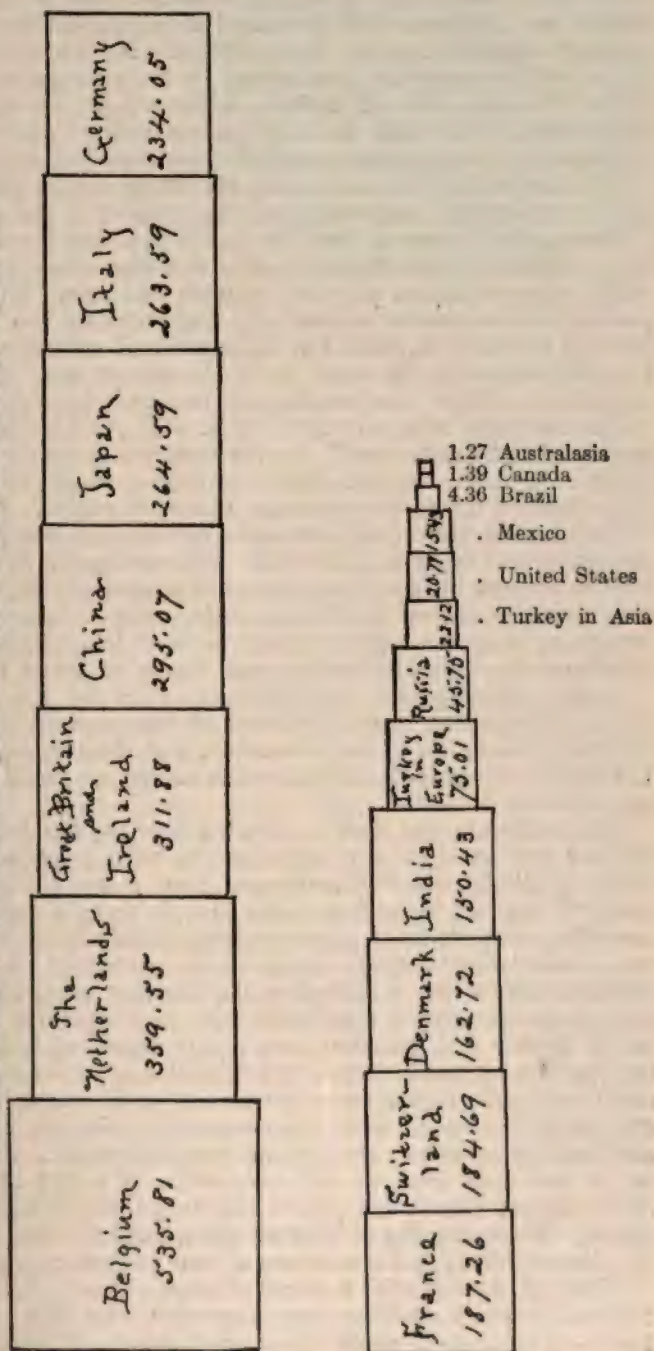
# The Bursting of the "Overcrowded" Bubble.



1. Portion of Texas, required to support the entire human race (1,479,729,400 persons), giving one quarter acre to each group of six, being 36.2% of area of the State. 2. Portion of the State of Texas equal in area to the six New England States. 3. Portion of the State of Texas equal in area to England, Wales, and substantially all of the mainland of Scotland. The slight portion overlapping the border of the State representing the few square miles by which these combined areas exceed the area of figure 3 falling within the State's boundary lines. 4. Portion of the State of Texas equal in area to the District of Columbia, Delaware, Maryland, and New Jersey.

Area of Texas, 265,780 sq. miles.  
Area of portion marked 1, 96,212.36 sq. miles.  
Population of the world, 1,479,729,400.  
Total number of small squares included in chart, 2050.

Average Density of Population Throughout the World in 1890, 28 Persons per Square Mile





## GILLETTE'S INDUSTRIAL SOLUTION

where before there was but one, the condition does not net a loss but a gain, for the reason that it is more than counterbalanced by other changes which have come along with it. *Modern* man is a social being, and his happiness is enhanced by the presence of his fellows; indeed, the high rate of insanity which obtains among ranchmen, whose duties keep them for long periods without any other society than that of sheep, dogs, cows and other domestic animals, demonstrates conclusively that the craving for companionship has, in modern man, a deep psychic lodgement, and cannot safely be gainsaid.

Quite apart, however, from the intellectual and emotional advantages which our two settlers have over either one considered separately, there are others of which we must take note. Work quite impossible to one can be successfully performed by the two working jointly; furthermore, instead of the security of each being diminished by the presence of the other, as in the former case, it is mutually augmented. When the two become ten, and the ten a thousand, these conditions naturally tend to be still further enhanced. We have said "naturally tend" for the reason that frequently, in relatively small societies, and almost invariably in all large ones, another factor enters in to check these beneficent results. What, now, is it which makes this radical distinction between the results of primitive association and modern association? Is it not simply this? In primitive conditions there is a maximum of competition and no coöperation. In the modern conditions cited,—that is to say the pioneer conditions of a newly opened country,—there is a considerable degree of coöperation and a relatively small degree of competition.

A may exchange his newly-garnered corn for B's recently-harvested potatoes, but the labour-value of each commodity is so well-known by both sides of the transaction, that the one has not the face to ask, nor the other the willingness to accept, too small an exchange price therefore.

The reader who has lived in farming districts, has doubtless heard farmers say, on more than one occasion when prices are quoted to them by neighbours, "It's cheaper than *I* could afford to raise them." The fact we wish to make clear is that, in such small communities, competition is either so balanced as almost to be negligible, or may be said scarcely to exist at all, according to which view we choose to take of it. Coöperation, on the other hand, while far from perfect, yet sustains a significant ratio to competitive activity. If we go farther and consider more highly organised society, we find that, as social masses enlarge and coöperative activities increase, man's estate undergoes a progressive betterment up to a certain point, and that point is the point where the *competitive principle*, under another and *misleading name*, becomes an essential factor. So prone are we to look upon what we call *competition* as a sort of divinely-ordered régime, that it will not be easy to get our thought before the reader. We shall make no head whatever, until first we clear the field of misconceptions, and come down at once to fundamental principles.

What are the essential features of competition? What two attributes has it which are everywhere apparent? Are they not strife and fear; — a struggle to secure the coveted object and a fear that with-



## GILLETTE'S INDUSTRIAL SOLUTION

out this struggle the desired object would not be obtained? We do not struggle for that which will come without struggle, neither do we "compete" for that of which we are assured without competition. *Where competitive strife and fear reign supreme is the domain where it is known, or at all events expected, that some are foredoomed to failure.* This difference is well illustrated by the action of an audience going to witness the performance of some great star. There are those who have secured boxes, orchestra stalls, and other reserved seats, and there are also those who have tickets for what are called "rush seats." Each one of these latter naturally wishes front row, centre, or at all events desires to secure something in that vicinity. If the star's popularity be great, it needs but a glance at the throng awaiting the opening of the doors to show the onlooker, as well as the competitive participants, that most of the crowd is of necessity foredoomed to disappointment. Observe, now, the difference between the behaviour of those holding "rush seat" tickets, and those who have secured reserved seat tickets. The former begin to gather an hour or more before the doors open. They are fearful to find a crowd already occupying the points of vantage. As more arrive there is a general jostling, usually, but not always of a good-natured sort, for the best positions. This one is trying to decide just which way the door opens, and whether or not he had better exchange his side position near the door for one farther off, but nearer the centre of the human stream, while another one is busy planning just how he will conduct his campaign when the crush comes which he knows will immediately follow the first sound on the other side of the door.

The door opens, and the gathered throng stampedes up the stairs as if it were a herd of frightened buffalo, instead of civilised human beings. Women are jostled, sometimes even trampled upon; children are thrown ruthlessly to one side; the weakest go to the wall; for this race is more to the strong than to the swift. Consider now the deportment of those holding reserved seats. They do not gather an hour before the doors are open; in fact, they begin to arrive only a little before curtain time and, not infrequently, wait until after the performance has begun. They display no hurry; there is nothing disorderly in their treatment of each other, and they evince no fear. They have their seat-checks in their hands and, since there is never an overissue of these checks, they know that every one of them means a particular seat — the identical seat for which they contracted.

If, now, the star is unpopular, and there is only a baker's dozen at the "rush seat" door, we find that this little gathering seems to be entirely regenerated. It exhibits about as much decorum as would be expected of holders of reserved seats. The reason is not far to seek. There are enough desirable seats to go round. *The element of fear of failure is lacking.*

If we were to follow the method of some current political economists we should say that in this case the competition of the seats for takers was less than balanced by the competition of takers for seats, or that the supply of seats exceeded the demand of takers, or that the competition of seats for takers was strong, and that of takers for seats was weak. Since we care, however, more for thought than for words,

## GILLETTE'S INDUSTRIAL SOLUTION

we shall content ourselves with the very homely and unpedantic statement that there were seats enough to go round, and that, as each knew he could get one without struggle there was no occasion for him to fight for it, on the one hand, or on the other, to fear that he would be left standing if he did not.

We feel that this illustration should make clear our thought when we say that the *inevitable hall-marks of competition*, in its last analysis, are *strife* and *fear*. In this matter of competition, as upon so many other economic questions, much difficulty of exposition has to be encountered because of laxity of definition.

To-day, if the Socialist is sure of *anything*, he is sure that we are living under a cutthroat competition which is baneful in the extreme. On the other hand, the Single Taxers, having like the Socialists, among their number many of the clearest thinkers now alive, are bemoaning the fact that we have little or no competition at all, in the "*proper sense*" of that term. They tell us that competition cannot be competition until it is free and unhampered, and that when it is free and unhampered it will result in such a perfect balance upon both sides of the transaction as shall end in the establishment of just exchange values for all commodities.

The Socialist says competition is baneful, and we are afflicted with it to the last degree. The Single Taxer says competition is the ideal condition; that we have none of the real article now but that we should pray for its coming. What is the cause of this singular discrepancy? Cannot brilliant men be trusted to reason closer to the *fact*, and therefore, closer to *each other* than that? The explanation of the anomaly is simply this; the two parties to the controversy do not agree in their definitions of competition, wherefore, even when they use identical language there is no identity in thought. Their definitions of competition not only do not nicely overlay each other, they scarcely touch each other at their periferies. Does the Single Taxer want strife and fear? No. Does the Socialist want them? No. As a matter of fact the difference between the two philosophies is very little more than one of definition, so far as this particular question of competition is concerned.

And now we think we have come to the proper place to set down a postulate which, we believe many of our readers will at first regard as heretical in the extreme. The postulate is this. Monopolistic conditions give results which carry the characteristic attributes of competition to their extremest limits. What we mean is this. Strife and its accompanying fear become increasingly stronger with any force which operates to decrease the ratio of supply to demand. Let there be but a quart of water at the disposal of a desert-lost caravan numbering a dozen men, and we can readily see how these men might keenly strive for it, each fearful that he should perish for lack of it. Let the supply be sufficient for all possible needs, *and freely accessible to all*, and there will be neither strife nor fear; but let the supply be sufficient for all possible needs, but accessible only to one, he holding a monopoly of it all, and there will be as keen a strife, *with its accompanying fear*, as in the first instance. Furthermore, to continue the parallel, we should find that the strife would



## GILLETTE'S INDUSTRIAL SOLUTION

become keener as the accessible amount diminished down to the point where life barely could be sustained. Locked at in this way *monopoly*, while it may wipe out competition as a *name*, only increases it as a *terrible reality*. What it really does is not to wipe out any of the baneful essentials of competition, but merely to wipe out the *fighting chance of the competitor*.

When the coal barons monopolised all the accessible coal and doled it out at extortionate prices and with insufferable insolence, did any consumer get his bin filled without an almost superhuman competitive struggle accompanied by the fear that he and his might freeze, or be rendered ill, should he not succeed in getting that which he knew hundreds of others sought as strenuously and needed as much as he?

*Monopoly tends ever to accentuate the essential ills of competition, so long as there is a competitor to live and suffer.* The position of the Single Taxer that *free* competition cannot co-exist with monopoly is as true and as trite a saying as it would be to assert that a horse race was not fair when one of the so-called competitors was lashed to a post. The position needs no proof to sustain it, but what shall we find when we examine into what is meant by this school of economists when they use the term "*free* competition?" We shall find that that ideal condition to which they look forward is merely a condition in which each side of a business transaction shall so limit the effective acquisitiveness of the other side that perfect equity shall result. To illustrate. A wishes to sell a thousand bushels of wheat. B wishes to buy a thousand bushels of the same commodity. A will ask all he can possibly get. B will offer the smallest takable price. A would get more than it is worth if he could. B would buy it for less than its real value if he could, and, under monopolistic conditions, such injustices would easily be possible. Under free competition, however, if A asks more than it is worth, C and D will offer their wheat at a lower price than he, and, therefore, A's struggle to get B's money, and his fear that he will lose it, curbs his tendency to be unjust. In like manner should B offer less than it is worth, E and F who desire to sell their money for wheat would make a higher bid and take it, so that B's fear that he may lose that for which he strives, operates to restrain him from offering too small a price. It must not be imagined that under the *freest* competition these conditions would be thus perfectly met, since there would always be what we might fitly call a *commercial lag*, or a failure instantly to respond to conditions of supply and demand.

In the social body as in the body corporeal, the transmission of intelligence occupies a measurable time. In the human organism the rate of nervous transmission is something like ninety feet per second. In the social organism, however, intelligence travels much slower. It is enough to say that, were competition ideally free, it would inevitably *tend*, in each instance, to balance itself equally upon the two sides of a transaction, with the result that just values would be very closely approached.

In his "Wealth of Nations," Adam Smith puts the matter very tersely when he says: "When the quantity brought to market is just sufficient to supply the effectual demand and no more, the market



## GILLETTE'S INDUSTRIAL SOLUTION

price naturally comes to be either exactly, or as nearly as can be judged of, the same with the natural price. The whole quantity upon hand can be disposed of for this price, and cannot be disposed of for more. The competition of the different dealers obliges them all to accept of this price, but does not oblige them to accept of less."

These considerations bring us face to face with the fact that equity is only reached through a *balanced* and *mutually annihilatory competition* on the two sides of the business equation, a fact of such tremendous importance to our subject, both in itself and its corollaries, that we shall, even at the risk of some repetition, devote considerable attention to it in the next chapter.

## CHAPTER XIII

The things we make are nearer to the human soul than is the physical body. That body is but a machine in which our nerve currents have run so long and intimately that the act is unconscious, and we say, "I did this," not "my hand did it."

*Charlotte Perkins Gilman — Human Work.*

The only motive of the capitalist in introducing labour-saving machinery was to retain as profit a larger share of the product than before by cutting down the share of labour — that is to say, labour-saving machinery which should have banished poverty from the world became the means under the profit system of impoverishing the masses more rapidly than ever.

*Edward Bellamy — Equality.*

All the phenomena that co-exist with poverty proclaim that inequitable distribution is its cause, and that the capacity to produce is illimitable. It is sufficient to point out that when distress is greatest, depression at its deepest, when unemployment is at a maximum, when factories close, and men are driven from the soil, we are told that the cause is the "over-production of wealth."

*L. R. Outhwaite.*

To-day, force is called violence, and begins to be judged; war is arraigned. Civilisation, upon the complaint of the human race, orders the trial, and draws up the great criminal indictment of conquerors and captains. This witness, History, is summoned. The reality appears. The factitious brilliancy is dissipated. In many cases the hero is a species of assassin. The peoples begin to comprehend that increasing the magnitude of a crime cannot be its diminution; that, if to kill is a crime, to kill many cannot be an extenuating circumstance; that, if to steal is a shame, to invade cannot be a glory; that *Te Deums* do not count for much in this matter; that homicide is homicide; that bloodshed is bloodshed; that it serves nothing to call one's self Caesar or Napoleon; and that in the eyes of the eternal God, the figure of a murderer is not changed because, instead of a gallows cap, there is placed upon his head an emperor's crown.

*Victor Hugo.*

Whoever says to-day, might makes right, performs an act of the Middle Ages, and speaks to men three thousand years behind their time.

*Ibid.*

. . . the theory that a person has a right in dealing with his fellows to take advantage of his superior abilities is nothing other than a slightly roundabout expression of the doctrine that might is right.

*Edward Bellamy — Equality.*



## CHAPTER XIII



IN his "System of Economical Contradictions," Proudhon says: "*Competition kills competition*, as we said as the outset; this aphorism may be taken for a definition. How, then, could competition be complete? Moreover, though it should be admitted that competition does not yet exist in its integrity, that would simply prove that competition does not act with all the power of elimination that there is in it; but that will not change at all its contradictory nature. What need have we to wait thirty centuries longer to find out that, the more competition develops, the more it tends to reduce the number of competitors?"

In his "Trusts and the State," H. W. Macrosty says: "We may take the date of the publication of *The Wealth of Nations*, 1776, as approximately the birth of the era of competition."

M. Dunoyer on the contrary says: "If competition is a false principle, it follows that for two thousand years humanity has been pursuing the wrong road."

In his "Principles of Political Economy," John Stuart Mill says: "Under the rule of individual property, the division of the produce is the result of two determining agencies: Competition and Custom. . . . Competition, in fact, has only become in any considerable degree the governing principle of contracts, at a comparatively modern period. The farther we look back into history, the more we see all transactions and engagements under the influence of fixed customs. The reason is evident. Custom is the most powerful protector of the weak against the strong; their sole protector where there are no laws or government adequate to the purpose. Custom is a barrier which, even in the most oppressed condition of mankind, tyranny is forced in some degree to respect."

It is evident from the above quotations that their respective authors are using the term *competition* in somewhat varying senses. If we were to take the position of those who hold that competition is not competition until it is perfectly free, we should be obliged to add still further to the above divergence by contending that *competition has never yet existed* to any appreciable degree in the history of the world.

It seems to us that this variety of views would be materially lessened if these authors had considered the essential underlying principles which seem to us the invariable qualifications of competition. We cannot see any radical difference in principle between two savages seeking the same animal in a contest where at least one is sure to go hungry, and the two civilizees each seeking a single commodity sufficient only to satisfy the needs of one. In each case there is strife; in each case there is the fear that this strife may not

## GILLETTE'S INDUSTRIAL SOLUTION

bring the desired result. This sort of competition existed even before man existed, for it attained a considerable degree of keenness among the higher animals.

In the case of primitive man, the advent of a competitive human being upon his scene would naturally be regarded by him as decreasing the probability of his own well-being. That fundamental law that all men tend to gratify their desires with the minimum amount of exertion, carried with it, as a corollary, the tendency of the primitive savage not only to get things with as little labour as possible, but, where opportunity offered to get them without any labour other than that necessary to kill the owners of the coveted article. Thus war and competition grew up hand in hand. They were, if you please, twins in the same primitive cradle.

Competition is the ethics of the jungle brought down to date. Its underlying reason, always felt, though not so frequently expressed, is that of the primordial savage, without that savage's justification. It rests largely upon this conception that wealth is still limited and fixed in quantity, and that whatever flows to A, is in just so much a deprivation of B.

If, during a shipwreck where twenty lives are imperilled, the only hope of rescue is a raft which will carry but ten, it is easy to understand how there may be the keenest competition, the most violent struggle, for places upon said raft, but if in the ship's hold there be an abundance of lumber to which each individual has free access, and if he have an abundance of time to construct a raft for himself, we are at a loss to see why, under these conditions, if he be sane and civilised, he should fight madly for a place on the already constructed raft. If, now, for the ship's hold we read "the earth," and for the raft we read "those material things necessary to man's happiness" we shall bring the analogy home and get a juster estimate of the grave error of what are called competitive ideals.

As a matter of fact there is nothing whatever ideal in competition. *It sustains the same relation to a proper social régime that war sustains to a proper ethical régime.* Competition, like war, represented a transitory stage which has outlived any usefulness it may once have possessed. Without a developed ethical nature there was nothing better for man to do than to compete. Coöperation was simply impossible to the savage's low moral status. Without a relatively developed moral nature there was nothing for man to do but to fight, or be wiped out of existence. An appeal to truth or justice, would have been as futile as moral suasion would be if visited upon a ravening tiger.

Things, however, have now changed and the so-called "ideals" of competition are not *civilised ideals*. Let us take in proof a concrete example. A and B make shoes. They are competitors. A's shoes either show a larger value-equivalent for the price asked than B's, or they do not. If they do, and their price be just rather than philanthropic, then by precisely the excess in price of B's shoes are B's shoes dishonest. If the reverse be the case then the same contumely lights on A. If there be no difference in price-value, then, all assertions to the contrary are false, and without such assertions, or



## GILLETTE'S INDUSTRIAL SOLUTION

their equivalent, modern competition would die still-born. If no seller could charge a single penny more for his goods than they were actually worth, and if every buyer knew this worth to a nicety, there would be no competition whatever under normal, healthy social conditions. This is not to say that, if there were a great dearth of some necessary commodity, there would not be a keen competitive demand for it. It is only to say, that in an ideally organised social state such a discrepancy between needs, and the means of supplying those needs, could not occur. If, then, these untoward competitive conditions can only exist in an imperfect social state, we should be able to see that, from whatever angle we view competition, it shows an unclean bill of ethical health. Why, then, has competition become a modern fetich? H. W. Macrosty has said: "But if competition is the life of trade, it is the death of business." This is assuredly true, if by competition we mean what modern commercialism means when it uses that term. So far as we can see there are but three possible social conditions. The competitive, the mixed competitive and coöperative, and the coöperative. We cannot consider monopoly as a social state of any kind. The competitive system grew up at a time when it was necessary to play the greed of one producer against that of another, in order that the consumer might get an approximately just value as the result of his purchase, upon the principle apparently implied, if not expressed, that where thieves fall out honest men get their due.

If we would but stop to consider that man is by no means the only society in existence, we should derive many lessons of great value in consideration of this subject of competition. Human evolution, whether considered socially or otherwise, is, in the main, invariably along lines of higher specialisation of function. If, therefore, we find other life-forms more highly specialised than we, it is because they are more evolved, as such life-forms, than we are as men. Add to this that these life-forms are guided by what we denominate instinct, a principle which, since it is a sort of racial memory, carries on its face unquestionable proof of its successful operation in the past, and we should find good reason for considering their methods.

The social organisation of ants and bees, as well as that of some birds, is a consideration worthy of careful study. The ants are more perfect as ants, and the bees are more perfect as bees, than we are as men. They each have a complex social régime which, in its efficiency and thoroughness, is simply marvellous; and when we come to consider the nature of their system *we do not find it competitive but highly coöperative*. Like us, many kinds of ants are still warlike, but to the credit of some varieties, be it said, that, so far at least as weaker varieties are concerned, they are veritable Quakers. They will discourage each trespass upon their rights by rendering it futile, but they will not injure the invaders. We submit that it is a significant argument against the sanetity of competition that the most highly evolved creatures in the sub-human world live in societies in which it plays no appreciable part.

If ants and bees do not reason, if they are guided solely by, in-



## GILLETTE'S INDUSTRIAL SOLUTION

instinct, then is it sure that they are not led astray, as we have been again and again, by faulty major premises; and equally sure is it that their present social system is the one which has been the fittest, so far at least as they are concerned; and, furthermore, if those sub-human life-forms which are the most highly evolved, are the most co-operative, it would seem to indicate that, in their case if nowhere else, the ultimate goal of Nature is either full coöperation or something beyond it, which is to be reached only by passing through it. *The present trend is unquestionably in that direction.*

When we consider what a perfect thing instinct is; how, for example, it enables the bee to form its honeycomb with the minimum outlay of its expensive wax and a maximum strength and compactness,—in short, how it arrives at a perfection of result that the highest mathematicians and geometricians could not excel; how in the case of the wasp it teaches him the art of paper making from wood—an art which it took man many thousands of years to learn; how in the case of ants it enables them to adopt military tactics, and methods of sanitation, which we can but approvingly copy; when it teaches the crow to count up to five without the aid of fingers, a feat the primitive savage could not accomplish;—when, in short, we consider these and many similar triumphs of instinct, we cannot fail to regard its mandate as of the very highest authority.

Can anyone suppose that these wonderful insects have made a grave mistake in not organising their societies upon a competitive basis? When flowers fail them, and there is a shortness in the supply of honey, would the hive bee advantage itself by the adoption of a system under which each fought for all he could get irrespective of the needs of his fellows? *What should we say if some queen bee, advocating a competitive system, should cite as one of its great beauties that if each member of the hive fought for all the hive honey with equal strength the result would be that each one would get just his proper share?* This, in effect, is precisely what they advocate who believe in what is commonly called "free competition," but natural selection has already taught the bee, and is now teaching man, a better method.

The many similarities between the body corporeal and the body politic are too glaring to escape attention. If we consider a healthy human body, we find everywhere the most nicely adjusted coöperation, each part being controlled, nourished and protected by a co-ordinating centre, and rendering to that centre its full meed of service. A harm to any one part affects every other part. A menace to any one part is instantly resented by every other part. The hand is not quicker to protect the eye from danger than is the eye to warn the hand. What should we think of a body which plunged one of its hands, say, into boiling water in order to secure some food morsel which the palate craved? Would we not at once see that such a condition of affairs was the most imminent possible kind of menace to the organism as a whole? When one part of the body competes with another for the life fluids, in a way to draw to itself more than its proper share, we say the person is diseased. Does anyone think that a cancer is the emblem of an ideal social state, *or would*

## GILLETTE'S INDUSTRIAL SOLUTION

*the condition be rendered perfect if there were two cancers on opposite sides and so exactly balanced that neither area could get more than its normal sustenance?*

Under our present competitive system do we find that one member of society can be depended upon to protect all the others? Do we find, in short, that the social hands are invariably quick to guard the social eyes? On the contrary, we find the one hand striving to cut off the other, each seeking to put out the eyes, while the eyes return the compliment by doing the utmost to misguide the hands; for these singular organs proceed as if upon the assumption that if they are to enjoy to the utmost the sweet and nourishing fluids of the body politic, they must fight for them, and that the fewer social organs there are to be fed, and the smaller the amount vouchsafed them, the more will be left for themselves. To continue the simile; each social organ seems madly to be striving to reach a condition of elephantiasis — to become some multi-millionaire in a wilderness of poverty.

The difference we would bring out is that between *competition* and *coördination*; between strife among the parts with the good of each as the ultimate end, and coöperation between the parts with the good of all,—and *incidentally each*,—as the ultimate end.

It has been said that England lost her liberties through a chain of right reasoning from wrong premises, and it is a fact that the discerning reader has doubtless many times noticed, that most of the grave differences of opinion which occur among thinking men are the results not of improperly drawn conclusions so much as of false premises.

We are told to-day, as we have been told for many, many years, that "competition is the life of trade," and so common has this expression become that we instinctively feel ourselves heretics if we question its truth, on the one hand, or ask what it means, on the other. We may as well plead guilty here, as elsewhere, to having very little respect for any dictum whatsoever, however ancient, solemn, or dowered with whatsoever authority, which we cannot rethink for ourselves. For this reason we shall make bold to question this time-honoured declaration in the following chapter.





## CHAPTER XIV

Whenever a country leans towards barbarism, it is vain for one or two persons to try to keep it upright.

*Emanuel Swedenborg.*

The professional men of no more than ordinary ability, struggling with one another for work in the overstocked professions, are already becoming far more tired of Unsociatism and Competition than the dock labourers are, because revivals of trade bring them no intervals of what they consider good times. In short, all men except those who possess either exceptional ability or property which brings them in a considerable unearned income, or both, stand to lose instead of to win by Unsociatism; and sooner or later they must find this out and throw in their lot with us. Therefore to exclude middle-class and professional men from our ranks is not "scientific Socialism" at all, but the stupidest sort of class prejudice. It would be far more sensible to exclude those skilled artisans who make several pounds a week; work overtime with reckless selfishness; and have even been known to refuse to employ labourers belonging to unions. But there is no need to exclude anybody. The real danger is that since we are certain to have an increasing number of professional men, tradesmen, clerks, journalists and the like in our ranks, these men may by their superior education, or rather their superior literateness — which is not exactly the same thing — and by their polished manners, be chosen too often as candidates at elections and as committeemen. This would be a most fatal mistake. . . .

*G. Bernard Shaw.*

Nature rejects the monarch, not the man;  
The subject, not the citizen; for kings  
And subjects, mutual foes, for ever play  
A losing game into each other's hands,  
Whose stakes are vice and misery. The man  
Of virtuous soul commands not, nor obeys.  
Power, like a desolating pestilence,  
Pollutes whate'er it touches; and obedience,  
Bane of all genius, virtue, freedom, truth,  
Makes slaves of men, and of the human frame  
A mechanised automaton.

*Shelley — Queen Mab.*

All true work is sacred; in all true work, were it but true hand labour, there is something of divineness. Labour, wide as the earth, has its summit in heaven.

*Thomas Carlyle.*

## CHAPTER XIV



WE have endeavoured to make clear that the two essential characteristics of competition are strife and fear, and of these two the latter usually takes precedence. Men strive *because* they fear. In the illustration we offered regarding the purchase of theatre tickets, it was shown that those who had "rush seats" behaved quite differently from those who had secured reserved seats, assuming, in each case, that the occasion was that of a star sufficiently popular to tax the capacity of that part of the house set apart for "rush seats." It was pointed out that the cause of this was simply the fear, on the part of each person holding an admission ticket, that he should not be able to secure a desirable seat, and it was further shown that when, for any cause, there were so few competitors for these "rush seats" that it was evident to all of them that each would be able to secure a good location, their behaviour was as orderly as that of the holders of reserved seats. There remains to be made in addition, however, one other point—to show that fear, when it is shared by those who seek reserved seats, operates in precisely the same way, though at a different time. Let a star be so exceedingly popular as far to overtax the capacity of the house, and to give rise, in the minds of the public, to the apprehension that many will be forced to forego the performance, and we find the same struggle that we witnessed on the part of the "rush seat" competitors, with this distinction, the strife is here transferred to the box-office, and spends itself in the effort to secure the tickets which represent the coveted seats. The long line of competitors frequently forms hours before the box-office opens. Men and women sometimes stand throughout the night in order that they may be the surer to secure the coveted pasteboards. The cause of this, as in the other case, is simply fear—fear that there will not be enough of the desired things to satisfy all demands. This strife and this fear are the essential attributes of competition as we see it.

We have already adverted to the fact that there is a large contingent who say that there is no competition, in the proper sense of that term, until there is *free competition*. That is to say, that there is no competition until there is that equally balanced and opposite competition which they aver would result in equitable exchange values.

Bearing in mind this divergence of opinion, as to the definition of competition, let us consider what is meant by the statement "competition is the life of trade." This time-honoured dictum may be taken either literally or figuratively. When we say that a person was the "life" of a social gathering we do not mean that the



## GILLETTE'S INDUSTRIAL SOLUTION

gathering could not have taken place without him, but, on the contrary, that it would have been relatively dull and uninteresting had he not been there. In this sense we use the term *life* as a figure of speech. If, on the other hand, we are to assume that this economic dictum is to be taken as literally as possible we must hold that without competition, trade is dead, and, since dead things are inactive, while trade is always active, we must assume that it is held that without competition trade cannot exist. If, now, we agree that by trade we mean the voluntary exchange of one commodity for another,—whether directly or through the medium of an intermediate commodity called *money*—a definition which is, as it should be, wide enough to include barter,—we have established a basis upon which to examine into the meaning of the asseveration, “competition is the life of trade.” Let us first see if there be any truth in this proposition taken literally—if, in short, it is impossible to exchange goods for other goods without competition. In order to guard against a common misconception which arises from improper use of language, as for example, when one speaks of money “earning” interest, we must again call attention to the fact that competing is “striving,” and that *inanimate objects*, since they cannot *strive*, cannot compete. Did we not guard this point some of our readers would be sure to talk about money competing for corn, or corn for oats, thus endowing inanimate objects with a purely personal characteristic which could not, by any possibility, belong to them. Only *live things* can *strive*, just as only *live things* can “*earn*” anything.

Will anyone contend that two boys cannot exchange jack-knives with each other without competition or any sort of strife? If John likes Arthur's knife better than his own, while Arthur prefers John's to his, it would seem self-evident that they could swap without the faintest trace of competition, as we know it. Of course, we are quite aware that those who care more for words than for principles, may contend that this transaction is merely typical of a condition where the effective demand exactly balanced the effective supply, which they might express by saying that the competition for Arthur's knife was exactly balanced by that for John's knife. A balance, however, is an equilibrium and an equilibrium is static, not dynamic. Equilibrium is but another name for death, which would make their postulate thus interpreted read “competition is the life of death,” which reduces the position to an absurdity. If John can directly exchange his knife for that of Arthur, without the merest trace of competition, it goes without saying that this non-competitive trade may be indirectly made through the medium of money. We see, therefore, that taken literally it is not true that competition is always the life of trade.

Let us now see if the postulate be figuratively true. In its figurative sense we may assume the word *life* to mean, in this connexion, that competition makes a market which would otherwise be relatively inactive and commercially unattractive, both active and attractive. Is this necessarily true? The *real* activity of trade is measured in terms of *results*, not in terms of *motion*. It is the volume of business done, the number of mutual needs supplied, which

## GILLETTE'S INDUSTRIAL SOLUTION

interests us. The sole purpose of business is merely to supply human needs. If it be active and efficient it supplies many. If it do not supply many it matters not how much furor, bustle and stir it makes, it is neither active nor efficient.

If the activity of trade which, as we have shown, must be measured and judged in terms of the human needs it gratifies, be the result of that mixed strife and fear which we call competition, then we should expect to find that the more intense the competition the more active the trade, and this, as we have already pointed out, is but another way of saying that we should expect to find that the intensity of the competitive strife measured accurately the degree of human satisfaction attained by the trade relations. Let us test this a moment.

If during the burning of a vessel at sea it were found that only a small boat capable, say, of holding half a dozen men, were all that stood between the crew and physical annihilation, we know that under ordinary circumstances the competition for a place in this boat would be fierce in the extreme, and if anyone had the power to sell transportation therein, the prices offered would be limited only by the total wealth and credit of the competitors. If there were six hundred souls on board they would all tend to share in this fierce competitive strife, yet at best only one per cent. of them could have their desires gratified, while ninety-nine per cent. would be forced, through failure to attain their coveted end, miserably to perish. Here we see that instead of the *activity* of the *competition* being a *measure of the human needs gratified*, it is as a matter of fact *precisely the reverse*, being the keenest and most active under those very conditions which foredoom the largest number to failure.

We see, therefore, that it is not true that the greater the competition the greater the exchange of mutually desired commodities. The legitimate object of trade being, in its last analysis, the gratification of human desires upon a basis of equity, it inevitably follows that conditions like that under consideration,—where ninety-nine per cent. of the desires are not gratified at all, and the other one per cent. are gratified in defiance of all principles of equity and justice,—cannot be those of trade efficiency, trade activity, or trade liveliness in any proper sense of those terms.

Having shown that the intensity of the competition cannot be relied upon to measure trade activity in any right use of that phrase, let us see if trade activity can be used as a measure of competition. Should we find this to be the case, we should be confronted with an anomalous condition tending to prejudice the soundness of our former conclusion. We shall see, however, that it only fortifies it. The essential hall-marks of competition being strife and fear—fear on the part of the individual that all the desires of himself and his fellows cannot be gratified, and, therefore, that his own well-being may suffer; and strife, having for its object the attainment of his own desires—we shall expect to find both fear and strife conspicuous by their absence where competition is wanting or negligible.

Let us suppose the case of a World's Fair. An immense concourse of people are desirous of going—a desire which includes as



## GILLETTE'S INDUSTRIAL SOLUTION

a part thereof the wish to secure railway transportation. Do we find in such a case, a mad, disorderly, pushing, jostling rush for the railway ticket office? Nothing of the sort. Do we not find that the trade in railway tickets is extremely active, lively and efficient, measured by the number of desired interchanges of commodities effected and the immense number of human desires gratified? We assuredly do. From this we see that the degree of gratification attained by trade,—its *life*, if you please, is not a measure of its competitive strife, and it may be interesting to note here that that competitive strife which is so often a concomitant of trade activity, is not a *necessary factor* of that activity itself, but is rather a factor of the *fear* which is so prone to accompany it. An illustration will make this clear.

The hundreds of thousands of people intending to purchase tickets to a World's Fair do not become a fighting mob, wildly struggling about a ticket office, simply because each knows that his need can be gratified, as far as the railway company is concerned. If there are too few cars to handle the traffic more will be added. If there are not enough trains, schedules will be changed. Suppose, now, while thousands of people who desired tickets were still without them, the railway management should post a notice reading, "Only one more train will be run to the World's Fair," what would happen? It is almost unnecessary to say that, with the entrance of *fear* into the proposition, a wild, competitive riot would ensue—a riot, which showing competitive strife at its *maximum*, would exhibit *trade activity*, as we have defined the term, at its *MINIMUM*.

We submit, therefore, that upon analysis, nothing can be clearer than that competition is *not* the life of trade either in a literal or a figurative sense. It only remains, in this connexion, to consider how it happens that such a demonstrably false statement has so long passed current as an axiomatic truth. We have only to imagine trade relations usually to contain the element of fear, in order to see that competition would tend to be an all but universal concomitant of trade; for where *fear* is, there also is *competition*. Strife is nothing but the physical expression of the psychological state called *fear*. But, it may be asked, why should fear be so almost universally a factor in trade relations? The reason is not far to seek. If there be too little of a commodity to satisfy the desires of all, some must go unsatisfied, and each will naturally struggle, by the very law of self-preservation, in order that he may not be one of the unfortunates. This is a self-evident truth.

We come now, however, to a point which is not infrequently overlooked. If there be enough of a commodity to satisfy the direct and legitimate cravings of all, and some have indirect and illegitimate cravings which they have the power to satisfy, some must *still* go without. This truth is so important that we shall try to force it home by an illustration.

Suppose a caravan crossing the desert to have just drinking water enough to last them to the next oasis, and suppose that some Bedouin chief, strong enough to enforce his dictum, developed an illegitimate desire to bathe his camel with the precious fluid and proceeded to



## GILLETTE'S INDUSTRIAL SOLUTION

gratify that desire. Competitive conditions would forthwith obtain, for it would be evident that some were doomed to die of thirst, and each would fear that he might be one of the number. We see, therefore, that it is not sufficient to dispel fear, which is the mother of competition, to know that there be legitimately enough for each and all. *It must further be known that each will get his share.*

Now, since man, scarcely evolved from the savage state of utter egoism into the semi-civilised state of ego-altruism, frequently is now, and in the remote past always has been, sufficiently selfish to strive to get more than he needs to satisfy his immediate normal desires, it follows that want, and the fear of want, has ever been a dominating spectre in the day-dreams as well as the nightmares of the human race. To possess commodities which we cannot directly use for years to come is a safeguard under our present social system against the want which might otherwise come in those years. More than this; to possess things which others must secure if they would live — things absolutely essential to their well-being — is to lay them under tribute; to acquire power over them; to make them, in so far, our slaves. Newly come from the brute, we worship power more than those other finer attributes which are later developments of racial growth. Biologically considered, it is but a few moons since, when all that stood between us and annihilation was our prowess. Sympathy, tenderness, love, consideration for our fellow man, had we possessed them in those egoistic days, would have been a handicap which would have undone us. It is but natural, therefore, that the craving for power, like that for so many other things, should outlive its respectability.

As garments have made the long hair of the ape a protection unnecessary to us, thus causing it in the more civilised races to disappear, so altruism ultimately will make the illegitimate search for power, — and its abuse when attained, — so contemptible a badge of barbarism that evolved man will flee it as a pestilence. In the interim, however, man is still striving to take the bread from starving mouths, to supply on the one hand, a hunger which is not yet with him, and to gain a power which gratifies something which he mistakes for something else. Thus is it that bounteous Nature, generous enough to supply our needs a hundredfold, is shut away from us by human greed, while want and the fear of want are, for the masses, never much less than imminent, tangible, activities. So is it that King Fear is the Presence before which traders prostrate themselves. Where fear is, there also will be strife.

The fear of loss has for its correlative the struggle to gain, and where, as in social relations, this struggle to gain has in turn the correlative of strife to prevent another from gaining the same thing, we have, and must of necessity have, competition *par excellence*.

Man tends to gratify his desires by the minimum amount of exertion. He tends to gratify the maximum number of desires. Life itself is contingent upon such gratification. If he has a right to exist, he has a right to gratify those desires necessary to his existence. More than this; he has a right to gratify desires beyond the point where they are necessary to his existence and up to the point

## GILLETTE'S INDUSTRIAL SOLUTION

where they interfere with the gratification of the necessary desires of another, and provided they infringe not the right of a similar gratification on the part of another. No man has a right to wash his camel in water, for want of which his fellow man is perishing, but he has the right, within the limitation stated, to breathe more air than is necessary to sustain his life, or even more than is absolutely necessary to sustain life at its maximum. The mother of Want is Greed, and the child of Want is Fear, whose offspring is Competition.

## **CHAPTER XV**



The causes and conditions of corruption are mainly (1), private monopoly; (2), political influence in appointment, and (3), secrecy.

Private ownership of public utilities leaves all three causes in full bloom and feeds their roots.

Public ownership eliminates two of the causes—private monopoly and secrecy—and if established under reasonable civil service regulations it eliminates the other cause also.

*Frank Parsons.*

If the nation does not own the monopolies, the monopolies will own the nation.

*James Mackaye — The Politics of Utility.*

The transformation of scattered private property, arising from individual labour, into capitalist private property is, naturally, a process, incomparably more protracted, violent, and difficult, than the transformation of capitalistic private property, already practically resting on socialised production, into socialised property. In the former case, we have the expropriation of the mass of the people by a few usurpers; in the latter, we have the expropriation of a few usurpers by the mass of the people.

*Marx — Historical Tendency of Capitalist Accumulation.*

The effect of competition upon the health of a community is acknowledged to be bad. The strain, anxiety, and uncertainty of life wears out the nervous system, and poisons many even of the few, leisure hours vouchsafed to the average man. The capitalist is, if anything, worse off than the labourer in this particular, and frequently trades health for wealth—a poor bargain for a business man, since it sacrifices the greater value to obtain the less.

*James Mackaye.*

As the species of the same genus usually have, though by no means invariably, much similarity in habits and constitution, and always in structure, the struggle will generally be more severe between them, if they come into competition with each other, than between the species of distinct genera.

*Charles Darwin.*

The world is my country and to do good is my religion.

*Thomas Paine.*

## CHAPTER XV



WE have seen in the foregoing chapters how it happens that competition is an all but universal concomitant of trade, and, furthermore, it has been made clear that the tendency to make of competition a fetic, is but another illustration of human proneness to mistake relations of concomitance for those of cause and effect. Let two things happen together for a few times and nine people out of ten will assume that one is the cause of the other. Thus may we account for the respect in which competition has, until very recently, been held by the overwhelming majority. But what shall we say when we come to the consideration of that small minority which represents the real thinkers of the race? It must frankly be admitted that not a few even of these have looked most favourably upon competition as a social force. We believe that this is to be explained upon the assumption partly of faulty definition, and partly of a failure to include in the proposition all of the factors which legitimately belong to it. We have already adverted to the fact that upon the part of those who cry out for "free competition," the word is used to mean a balanced condition of affairs,—an equilibrium on the two sides of the trade equation,—resulting from the cancellation of equal and opposite competitive values, and that this condition of affairs when secured, would, with other things equal, leave matters precisely where they would have been had the competitive factors never been introduced. We have also called attention to the fact that those who hold the views mentioned above, maintain that we have not now any real competition, for the reason that it is not free and cannot, therefore, balance itself.

We have also referred to those who hold the more general view that we are now at this moment living under the *keenest competition*, and we have attempted, on our own part, to show that this latter view is truer in definition than the former, and is by far the most generally accepted.

It remains now to point out the ultimate philosophical results of these two definitions. It is clear that a world-wide difference exists between the theory that competition only becomes such, as it reaches equilibrium on the two sides of a trade relation, and the theory that competition intensifies as it becomes unbalanced, which is to say, as the competition on one side of the trade relation overwhelms that on the other side.

According to the first definition, competition could only exist where the effective demand sensibly balanced the effective supply. According to the second definition, competition would grow keener the greater the discrepancy between effective demand and effective supply, reaching its highest attainable point at the point where the

## GILLETTE'S INDUSTRIAL SOLUTION

greatest imaginable demand had set against it the smallest imaginable means of gratification which would be sufficient to stimulate the competitive struggle. By this last qualification we would convey the thought that the point must not be crossed at which fear gives place to utter despair. Fear will not struggle unless there is a *measure of hope*.

We believe we have made it abundantly clear to which of these definitions we ourselves subscribe. The first definition is self-annihilatory and we abandon it. It remains to be said of the second definition that, since by it the intensity of competition increases as the disparity between the two sides of the equation increases, it must ever tend toward, and seek to attain, its maximum at the aforementioned maximum disparity compatible with a fear which still has hope. As an inevitable corollary of this, it follows that competition always tends to be self-destructive, growing ever by what it feeds upon and so steadily approaching the point at which fear is deprived of hope. Nothing interfering, the time would, therefore, inevitably come when courage would cease—when, in short, the chance of success in the game would not be worth the candle. We would not be understood as saying that this condition of affairs will actually obtain, since other forces *will* interfere. The idea we mean to convey is merely that, considered as a *closed system of forces*, that would be the inevitable result.

Put five tarantulas into a bottle and, if the bottle be corked so they cannot escape, they will forthwith each begin to compete for the undisputed possession of that bottle, until, in the end, we will have one tarantula, containing four other tarantulas, in a stopped bottle. This stopped bottle represents a closed system of forces. Put five tarantulas into an *open* bottle and a different result might follow. Some might run away, or an enemy might enter from without. The system being an open system of forces, results could not so easily be predicated. So it is with the human race. Were the social bottle stopped, things would tend toward—though for reasons cited they would never reach—the point at which there would be but the one fat competitor containing all the rest. The social bottle, however, is not closed, and so, before this result could be reached, other forces would enter the system to cause an entirely different *dénouement*.

When Fear loses a good measure of its hope the time will be reached at which the race will see the awful mistake of carrying the competition of savagery into modern civilisation. Then we shall all realise that, since bounteous Nature produces more than enough for all, it is nothing short of criminal that the illegitimate desires of the few should prevent the gratification of the legitimate and physically necessary desires of the many.

Let us now consider, for a moment, one of the chief reasons which have led many intelligent and fairly observant people to believe that competition is the highest attainable commercial state. The explanation can be given almost in a sentence. Competition is merely monopoly in process of making. As competition grows keener, it does so, as we have seen, by an increasing disparity between the two



## GILLETTE'S INDUSTRIAL SOLUTION

sides of the trade equation. When this disparity increases to such an extent that the combative force of the weaker side is, compared with that of the stronger, all but negligible, we have the full fruitage of competition, and we name it *monopoly*. Let one man corner the wheat market and competition is decreased upon *one* side of the trade equation to a negligible value, while, running riot on the *other* side, it rises into maximum significance. While those who must have wheat, or suffer from its lack, or perhaps starve, make frantic efforts to forestall their needs, he who has monopolised it all takes his good time to estimate just how much he can squeeze out of the public. Were there no substitute for wheat,—in short, were it absolutely necessary to get wheat or starve, there would be no limit to the extortion which the monopolist could and would practise, *up to the point where civil government broke down into anarchy*—the point at which the robbed public, losing its patience, turned upon the robber and stripped him of his goods. In this way are we able to see how competition, when most intense, is sensibly all on one side of the trade equation and is what *we* call *monopoly*. When, however, the disparity between the two sides of the trade equation is nearer equal, competition is less intense and the weaker side has a fighting chance for existence.

We have seen that the spirit of competition was born long before man existed. With his advent he found the competitive tendency well ingrained in his being, where, with few and negligible exceptions it has remained ever since. At the present time the average man who asks for a competitive régime does so because he believes that his sole choice is between what he calls "competition" and what he denominates "monopoly." In short, in declaring for competition, under the fond assumption that he is paying that régime a merited tribute, he is, in reality, stigmatising it to the utmost, since he is asking for the smallest amount of competition which he believes possible of attainment. That he is not *aware* of this fact, is simply due to his failure to see that, in considering his choice to rest solely between competition and monopoly, he is in reality placing it between a relatively small degree of competition and a great degree of competition—it is always competition—called "competition" when weak, and denominates "monopoly" when overpowering. Since there can be but one choice, on the part of any sane and well-wishing being, between that weak degree of competition which furnishes, at least, a fighting chance, and that overwhelming degree of competition which makes struggle all but useless, it is but small wonder that, *considering his premises*, the average citizen declares for that so-called competitive régime which affords him, at least, a *hope* in his struggle.

Show this same average citizen that he has missed a factor most essential to his choice; that he should add to his "competition" and to his "monopoly" the more potent régime of *coöperation*, and he will not be so sure of the wisdom of his selection. Let him realise fully that one of man's most fundamental rights is the right freely to trade his own labour, or the products thereof, for an equal labour-value anywhere within the circle of exchange, and much would

## GILLETTE'S INDUSTRIAL SOLUTION

be accomplished. He will then see that no man should ever pay more than this aforesaid equal labour-value, and that no man should ever offer less; that the other side of the transaction should never charge more, and should never accept less, if perfect justice is to be done. Were such conditions of equity to obtain, what possible function, he would ask himself, could competition have;— what purpose could it serve?

The exchange values of articles would be determined by their labour-cost and would be absolute in a properly regulated and ideally interacting community. Since, therefore, competition cannot coexist with such equity—since it has no basis for existence except inequity—it is clear that it is not equitable, not just, and, therefore, must be wrong. The struggle on the part of a multiplicity of sellers each to supply a single buyer with all the goods he needs in a single line—or a similar tendency in a less degree, shows *prima facie* an unhealthy social condition, pointing clearly either to too great production of this particular commodity, or to bad distribution, each of which diagnose as social disease.

Invert the proposition and let a multiplicity of buyers struggle to purchase the supply of a single seller and the significance is the same, viz., social disease; for never should it be forgotten that, in the body social as in the body corporeal, the running over of one channel means the running dry of another. "Overproduction," so-called, either cannot exist, or it is as much *underproduction* as *overproduction*, by which we mean that overproduction in *one* department carries as its inevitable correlative underproduction in *another*. This statement seems almost axiomatic, yet who has not heard economist after economist state that the cause of hard times was overproduction, a statement as absurd as it would be to say that a man was hungry because he had too much food upon his table.

It avails nothing to say that men starve through overproduction, because they lack the means to purchase the necessary portions of this production. A moment's thought will enable any thinking reader to drive a coach and six through such a proposition. We cannot here spare the space to show all the absurdities of such a contention. Suffice it to say that, if a man creates material which he cannot use himself and cannot exchange for something that he *can* use, he is not only not guilty of "overproduction" but, in a personal economic sense, *he has not produced anything at all*.

The normal result of labour multiplied into the earth is wealth, but that which a man cannot consume himself, and cannot exchange for a consumable commodity is, so far as he is concerned, economically neither production nor wealth. Such a case would be simply one of underproduction—underproduction of things which could directly or indirectly gratify human desires. No man, no community, no nation, was ever harmed a single jot by this bugaboo of "overproduction." Any harm which came, as a concomitant of overproduction, came because of the underproduction which followed as its correlative. Let us take an example.

Jones might spend the time he should put into raising potatoes in blowing soap-bubbles and, if he had a way of preserving these



## GILLETTE'S INDUSTRIAL SOLUTION

bubbles, he might fill his entire barn with the pretty things. When Smith, Brown and his other neighbours began to sell their potatoes, Jones might try to exchange soap-bubbles, in order to keep the wolf from his door. This he could do only to a very limited and negligible extent, and our friends, the economists, would tell us that Jones was suffering from overproduction of soap-bubbles, while, as a matter of fact, he would be suffering from *underproduction* of potatoes, or of *something else exchangeable for them*.

If overproduction of soap-bubbles *per se* impoverished Jones, we should find him impoverished by a similar soap-bubble production the next year, even though he raised in addition his usual amount of potatoes. This would manifestly not be the case. If there be any who think this is a distinction without a difference, let them reflect for a moment how much confusion arises from thus mistaking a relation of concomitance for one of cause. If overproduction be the disease, smaller production is the remedy indicated, and should always effect the cure. Any sane man, however, knows that it will do nothing of the sort. Contrariwise, if overproduction be the disease, an equal or greater amount of production, *of whatever sort*, could not be expected to bring about a cure. This position, too, is demonstrably incorrect. Let us, however, but see that underproduction is the real trouble, and that those things which cannot themselves satisfy the producer's desires, or, for whatsoever reason cannot be exchanged for other commodities which will so satisfy them, are not productions at all, in an economic sense, and the remedy is clearly indicated, and is found to be the production of precisely those needed commodities *which have been left in deficit* by the creation, *in excess*, of the very commodities which are instanced as overproduction. If there be enough wealth of various kinds produced to satisfy all human desires and said human desires are *not* satisfied, one of two things is certain; either the unsatisfied individuals have not, by their labour, earned a just claim to their proportionate part of these commodities, or the machinery on the distributing end of production is out of gear; and it need scarcely be said that neither of these ills would be in the least mitigated by a *proportionate decrease throughout the entire field of production*. On the contrary, such a scaling down of all commodities would but aggravate the disease. Contrariwise, were the world to awake some morning to find that some overproductive angel had just doubled the amount of every commodity in the whole circle of exchange, it is certain that no harm, at least, would follow as the result of this "overproduction." All the human race needs is, first to have enough in bulk, and, second, properly to distribute it. *More than it needs in bulk can never do any harm if distribution remains intact.*





## CHAPTER XVI

I often journey through the town,  
And watch the forms go up and down —  
    Go up and down.  
Unsignaling they course past me,  
Like stranger vessels on the sea —  
    The human sea.

Swept fiercely on in Self-Love's wrath,  
They brush me hastily from the path —  
    I choke their path;  
Or like a child's self-acting toy,  
Their shifting thought I give employ —  
    Soulless employ.

But in these forms I look below  
The surface life that frets them so —  
    That frets them so;  
And buried deep in all I see  
Imprisoned souls look out at me —  
    Yearn big toward me.

I hear these souls, unheeded, plead  
Through forms that chase the phantom need —  
    The phantom need:  
"Oh, Brother! We are one with you;  
Our life must rise or fall in you —  
    In stranger you.

"With you we know the feast is spread,  
With you is peace for weary head —  
    Tormented head.  
One circle we — no gulfs divide;  
What seems our difference is outside —  
    Yes, all outside."

So in the throng I ever wait  
The falling of the prison gate —  
    That ancient gate;  
When fettered souls at last set free,  
Join in Love's merry liberty —  
    Her life-completing liberty.

*Jesse S. Dancey.*



## CHAPTER XVI



IN his "System of Economical Contradictions" Proudhon says: "Competition overturns all notions of equity and justice; it increases the real cost of production by needlessly multiplying the capital invested, causes by turns the dearness of products and their depreciation, corrupts the public conscience by putting chance in the place of right, and maintains terror and distrust everywhere.

"But what! Without this atrocious characteristic, competition would lose its happiest effects; without the arbitrary element in exchange and the panics of the market, labour would not continually build factory against factory, and, not being maintained in such good working order, production would realise none of its marvels. After having caused evil to arise from the very utility of its principle, competition again finds a way to extract good from evil; destruction engenders utility, equilibrium is realised by agitation, and it may be said of competition, as Samson said of the lion which he had slain; *De comedente cibus erit, et de forti dulcedo*. Is there anything, in all the spheres of human knowledge, more surprising than political economy?

"Let us take care, nevertheless, not to yield to an impulse of irony, which would be on our part only unjust invective. It is characteristic of economic science to find its certainty in its contradictions, and the whole error of the economists consists in not having understood this. Nothing poorer than their criticism, nothing more saddening than their mental confusion, as soon as they touch this question of competition: one would say that they were witnesses forced by torture to confess what their conscience would like to conceal. . . .

"*Competition kills competition*, as we said at the outset; this aphorism may be taken for a definition. How, then, could competition ever be complete? Moreover, though it should be admitted that competition does not yet exist in its integrity, that would simply prove that competition does not act with all the power of elimination that there is in it; but that will not change at all its contradictory nature. What need have we to wait thirty centuries longer to find out that, the more competition develops, the more it tends to reduce the number of competitors?"

Since competition is strife, and since strife is a condition which has for its special object the forcing of the weakest to the wall, in order that the strongest may remain supreme, there should be no difficulty in understanding how it happens that competition tends to decrease the number of competitors. He who to-day fights the competitive battle to a successful issue finds himself stronger for

## GILLETTE'S INDUSTRIAL SOLUTION

to-morrow's contest and better able to force his adversary into defeat. With each success the strong competitor grows stronger and is able to engage and rout larger and larger competitive forces. Continue this condition but far enough and the emergence of the successful competitor into the monopolist is inevitable, for monopoly is nothing but the *intensification* of that lack of balance between the two sides of the commercial equation, which is commonly called, competition.

Men may labour in order to have something to exchange under a competitive régime, but competition *per se* is entirely unproductive. On the other hand, it is wasteful in the extreme. Producing nothing, it is the greatest consumer in all our present social fabric. Its friction is like sand in the bearings of the social dynamo. It expends millions of dollars in duplicating plants and unnecessary factories; it wastes millions of dollars in entirely unnecessary advertising; it gives rise to a whole elaborate net work of tributary and entirely useless industries; and all for what? Simply that men may live under a régime which is *fit only for the jungle*. Not only is it unchristian, but it has its very foundation and alleged operation in *dishonesty* and *greed*.

A has goods to sell and his tendency is to charge, not what they are worth, but as much more as he thinks he can get. B wishes to buy these goods and his tendency is to offer, not what they are worth, but the smallest price which may hope to secure them. A limit, we are told, is set to A's greed by the fact that, if he asks too much, others will offer their goods in place of his. Similarly, a limit is set to B's niggardliness by the fact that if he offers too little, some other buyer will take the goods. Thus, we are told, by the adherents to the competitive system, that the tendency of A and of B to *overreach each other* results in a nice balance of equity. It is *assumed at the start* that each would cheat the other if he *could*,—in short, a good illustration of the equity reached by "free competition" will be found in the following example.

Two pickpockets meet in a crowd. Pickpocket A reaches for the watch of pickpocket B, and would surely rob him were it not for the fact that his hand collides with that of pickpocket B, who is just in the act of reaching for A's wallet. Since neither robbery is consummated, but each is stopped by the *attempted robbery of the other*, equity is maintained. WHAT A SYSTEM UPON WHICH TO FOUND A CIVILISED SOCIETY! Is it any marvel that business morality is breaking down? Can men be fed on this sort of thing and maintain a high degree of integrity? The answer of the competitor, like that of the first murderer, is: "Am I my brother's keeper?" He sees no reason why he should attempt, as a moral effort, to make his price just, others will look out for that, indeed, under this beautiful system any attempt to make his price just, unless met by a similar attempt on the other side, would forthwith result in *injustice*.

"Let the buyer beware" is the modern maxim, yet, if we look deeper than this superficial individualism, we shall surely see that we are, to an immense degree, our brother's keeper. Very wisely has Mill pointed out that where two things are necessary to a result, one



## GILLETTE'S INDUSTRIAL SOLUTION

cannot be said to be *more* necessary than the other. If, therefore, we supply a certain condition which is all that is necessary to a certain act, we commit that act *ourselves*, so far as the ethics of the question is concerned. Without the value which we threw into the equation of personality and environment, the deed would not have been committed. Far too often do we load the dice in our brother's hand, and then protest because the devil gives him double sixes for his portion.

Life is only an interplay between personality and environment. At any one moment our brother's personality is a definite, fixed quantity, and it will react upon a given environment in a definite manner—a manner which he is absolutely powerless to control except as he does control it. With a given resistance, a given temptation, and a given environment the result is inevitable. Our brother's act is foredoomed for good or for bad. If, on the contrary, *we* alter his environment, and act and react upon his personality, we have a profound power for good or ill. Thus, as *our brother's keeper*, we can do things that our brother cannot do. This marks the great distinction between the promise of coöperation, and the blasting reign of competition.

*Under competition we fill our brother's environment full of subtle pitfalls, in order that his loss in the struggle shall be our gain. Under coöperation we shall ever seek to smooth his path and set legible signals at all its precipices.*

In competition the end is egoistic. The ultimate sought by each individual is his own good. It is each one for himself and "the devil take the hindmost." Under coöperation, on the contrary, the social good will be the ultimate, and man will only seek his individual good through the social good. When he comes to see, as he very soon will, that he finds himself by losing himself, that the "love he liberates is the love he keeps,"—in short, when he learns that, in seeking the social good, he is securing also the highest possible individual well-being, his course will be made doubly easy. They who have abandoned the toy life, who, having been through the fire are purified by suffering, know well enough that the *real* life is the life of *service*—the life which labours always to increase the sum of human pleasure. *This is the real life.* All else is dross, and this is the life that coöperation will teach—the life which, in its every act, replies *yea, yea*, to the question; art thou thy brother's keeper? Already we see this trend of affairs in many quarters. The principles now at work have only to be strengthened. Views now held need but to be broadened. Horizons require but to be widened. Convictions wait only to be deepened.

Our multi-millionaire brother dislikes the hovel which fronts his estate. He purchases it to be rid of it, and builds his mansion thousands of feet back from his front gate, in order that his immediate environment may be beautiful, and to his liking. It is true that unsightly things are found beyond his domain, but *he* does not own them. If, later, he enlarges his estate, he will remove some of them. Suppose, now, some morning his vision is restored to him, so that he sees that *all the world* is his; that the whole earth is within the



## GILLETTE'S INDUSTRIAL SOLUTION

wall of his imagination! *All creation* will then be his *front yard*, and he will do his utmost to keep it *sweet* and *clean* and *beautiful*.

It is only through lack of psychic vision that we are mean and small and petty. We busy ourselves purchasing, at the price of all that is good and noble, an elaborate, voluminous and utterly useless immunity from toil, only to find, in the end, that we have led toy lives, and missed the only supreme good which could befall us.

Thus is it that competition,—the red ethics of savagery,—a falsehood so old that it passes for a truth, has undone us, and thus will it continue to undo us till we learn that Nature knows her business, and that she is moving with an irresistible certainty straight toward *universal coöperation*. If we will not come into line, if some of us still persist in being discordant notes, we shall simply be stifled, for Nature permits no discords in her majestic diapason.

"Man" says Charles Darwin, "is the rival of other men, he delights in competition and this leads to ambition which passes too easily into selfishness."

If competition ever failed to pass into selfishness it would simply be because it started in selfishness and never left it.

The dictionary gives *contend* as a synonym for *compete*, and the word is derived from *cum* (together) and *peto* (to seek) from which we see that the idea of strife is indissolubly mixed up with that of competition. The seeking together refers to the seeking of the one thing by several persons, and this means inevitably fear of failure and struggle to prevent it.

If the producer finds in the market but one buyer of his cattle, the result is the outrages of a beef trust. If the buyer finds in the market but one owner of the thing he must have, what happens? The extortion of the land-holder owning a few feet of land necessary to a great improvement. Let us repeat the lesson in all this. It teaches first, that "competition" upon the two sides of a transaction must be equally balanced, if we are to get anything like equity under our present competitive system; second, it shows the egregious injustice which comes from a lack of this balance, and this latter point is here only of importance to show retroactively the necessity of such balance under our present system; third, and here is the great point, it shows that balanced "competition" which, bear in mind, is the Ultima Thule of the advocates of free competition—in short, competition at its *very best*, is mutually destructive and leaves no residuum of gain whatsoever—leaves nothing, in fact.

If we take two closed systems of forces each of which contains a certain mechanical factor of the same strength as, and opposed to, that of the other, and, bringing the two systems together, allow the two equal and opposed factors to cancel each other, the systems of forces then stand just where they would have stood had these warring factors never existed. From this we are able to see that the only possible reason for competition, upon the one side of a transaction, is the presence of it, or its equivalent, upon the other side thereof. Stated algebraically "competition at its best" is but the insertion of the same sum with the same sign into each side of the equation of trade. The very first step taken in clearing this equation is the

## GILLETTE'S INDUSTRIAL SOLUTION

cancellation of both of these inserted factors leaving the equation just where it would have been had neither been inserted.

Man has certain desires. Their gratification is necessary to his existence. If he has a right to exist he has a right to gratify these desires, since he cannot continue to exist if they be not gratified. The right to gratify these desires must of necessity carry with it the right to avail himself of the means necessary and precedent to their gratification.

"You take my house when you do take the prop  
That doth sustain my house; you take my life  
When you do take the means whereby I live."

No man can deny the right of man to exist, since he himself must first exist in order to be able to deny the right of another. Granted the right to exist, there follows, as an inevitable corollary, the right to perpetuate one's existence. This cannot be gainsaid, since no man could possibly question it until his own existence had been long perpetuated. We see, therefore, that the law of self-preservation is founded on a fundamental right—a right second only to the right to exist. Self-preservation then is an inalienable right and, since the gratification of certain desires is the only means to this self-preservation, it follows that man has an inalienable right to the gratification of such of his desires. If, now, he has a right to gratify them, it follows that he has the right to the means necessary to their gratification. This means is the earth, out of which all good things flow. *Man, therefore, has an inalienable right to the use of the earth.* Those who prefer a teleological method of reasoning, will say at the start; God made the earth for man's use and man has, therefore, an unquestionable right to it. This is a very generally accepted view of the matter among a large class of people. It is not, however, as we have shown, necessary to the conclusion, since even those who are unwilling to define God's intentions, in this or any other matter, are still left no choice but to conclude that man's right to existence is unquestionable, *simply because it must be assumed*, in fact, before the question could be raised.

How does man gratify his desires? What are the factors at his disposal? He has only these. The earth, including all that therein is, with the single exception of the human race, for the first factor, and the people of the earth for the second factor.

The earth is the great storehouse from which labour conjures forth the world's wealth. Thus the primary factors in political economy are first, land, and second, labour. When labour applies itself to the earth the result is called *wealth*, because something has been produced which is capable directly, or indirectly, of satisfying human desires. Of this created wealth a portion may be eaten up, or otherwise consumed, while another portion may be set apart to be used in the attainment of more wealth. This portion set apart is called capital in political economy. An illustration will make this plain.

A fisherman scoops his net into the water and enmeshes a goodly catch of smelts. He has applied his labour to the earth—for



## GILLETTE'S INDUSTRIAL SOLUTION

everything not human is here called the earth — and wealth in the form of smelts is the result. Being hungry he decides to eat some of the smelts, and to keep the rest for bait to catch larger fish on the morrow. Those he consumes are destroyed as wealth and are economically gone. Those he saves are called *capital*, since they are to be used in the production of more wealth. The third factor in production is, therefore, that part of wealth called capital, and the three factors are *land, labour and capital*.

It ought not to be necessary to call attention to the fact that wealth is, to all intents and purposes, stored labour. The earth properly being free to all, we may, in this instance, eliminate its function and look upon wealth as merely the creation of labour. To-day's capital, therefore, is merely yesterday's labour. We make this explanation in the hope that the reader will see the ridiculousness of the common contention that there is an "irrepressible conflict" between capital and labour, when he sees that this is merely saying that there is an "irrepressible conflict" between the product of yesterday's labour and to-day's labour. Indeed, we may be pardoned if we pause to consider this absurdity a moment longer.

Capital is an *impersonal* thing. It could not get up a conflict under *any* circumstances. Labour is equally impersonal and, perforce, similarly peaceable. The "irrepressible conflict," if any exists as stated, must be between capitalists and labourers. Reflect, now, that the fisherman lowers his empty net into the water as a labourer, and pulls it out fish-laden, as a capitalist. We have said that he lowered his net as a labourer, but his net was in itself capital, and, therefore, he was a capitalist, too. We have said that he pulled in his fish-laden net, as a capitalist, but he laboured in doing so, and, therefore, he was a labourer, too. What is the significance of all this? Does it not teach us that the labourer and the capitalist are so individually connected, so hopelessly mixed up, that it is sheer folly to talk about a conflict between the two? This is not to say that labour troubles do not exist; it is only to say that the favourite way of accounting for them as the result of an "irrepressible conflict" between labour and capital is very wide of the mark. The conflict is not between labourers and capitalists as opponents, but between labourers and capitalists as the *same persons*, or friends, and *monopoly as a common enemy*, in short, it is merely a phase of ever accentuating competition — *competition tincturing itself into monopoly*.

If conditions were just, and all men had free access to the earth, the only moral factor in wealth would be labour, and all ownership and all values would unquestionably be measures of labour. If man has an inalienable right to the use of the earth, and if all wealth results from his labour applied thereto, is it not clear that every just claim to ownership is, and must be, in its last analysis, a *labour-claim*? Under existing conditions, where land is owned by certain individuals to the exclusion of other individuals, we find an entirely different condition of affairs. We are told by current political economists that the factors of production are land, labour and capital; and that which accrues to land is called *rent*; and that which



## GILLETTE'S INDUSTRIAL SOLUTION

accrues to labour is called *wages*; and that which accrues to capital is called *interest*.

In order to justify the present régime the public is being educated to regard land as "*earning*" rent, and capital as "*earning*" interest, in a way analogous to that in which labour earns wages. That this is an egregious misuse of language should be evident upon mere mention of the fact.

We find that the dictionary gives as a definition of *earn*, "to gain as a just return or recompense by service, labour or exertion. . . . To merit by reason of service or exertion."

Only *animate* objects can "*earn*" anything, for only animate objects can exert themselves, or can *deserve* or *merit*. How can our justice or injustice affect a shovelful of earth? How can we "*recompense*" a corner lot? How can capital "*merit*" a reward? It is simply foolish to use language after such a fashion. To "*earn*" a thing is to acquire a just claim to it, and how can a table acquire a just claim to a chair?

We find in fact, however, that when land is used under modern conditions, its owner usually is able to appropriate a certain portion of the wealth produced by others, so that we may justly say that, under the existing régime, *rent* accrues to land. Similarly, when capital is loaned, the capitalist is able to draw from the labour of others a certain portion of the wealth produced, and this portion, by common consent, we call *interest*.

In his "Hazard of New Fortunes," Mr. Howells hits the mark when he says: "It is the landlords and the merchant princes, the railroad kings and the coal barons . . . that make the millions, but no man *earns* them."

If, now, this free use of the earth properly belongs to man, and if all wealth is the result of the application of man's labour to the earth, how are we able to defend rent and interest? The reader must not confuse *rent*, used in its economic sense, in which it means merely a payment for the use of the *earth*, with its more colloquial sense of a payment for the use of a house. Before we consider how it is attempted to justify rent, we should satisfy ourselves finally as to whether or not man has a right to individual ownership of the earth. As this point is vital let us spend a moment in considering an aspect not yet touched upon.

If a man has a right to a ten-acre farm; a right to fence it in and to put upon it a "no trespass" sign because he has a deed to it, then he would unquestionably have a right to a million acres, if he had similarly purchased legal title thereto. Being possessed of these million acres—and there are men in America to-day who own much larger tracts!—he would have a perfect legal right to fence in this tract and to exclude from it every human being. He would own that land to the centre of the earth, and it would be trespass to pass over it in a balloon, if he objected. If, now, a land company secured sufficient capital they might buy a thousand million acres of land, fence it in and exclude from it everything human, while a syndicate of such companies might legally acquire all the land of a continent and, under trespass proceedings, push the inhabitants

## GILLETTE'S INDUSTRIAL SOLUTION

of the area into the sea. An association of syndicates might be imagined to acquire the entire earth, and to decree that no man, woman or child but themselves should inhabit their premises. Thus do we see that the individual ownership hypothesis breaks of its own weight and reduces to an absurdity. In the very nature of things there can be no right more unquestionable than the right of man to exist, since, as we have shown, conditions could not possibly obtain in which this right could be questioned without its prior tacit recognition, acting to invalidate any subsequent questioning. We may assume, therefore, that man has a right to exist, to preserve himself, and to utilise to that end the only thing which makes that end possible, viz., the earth.

Since all men have an equal right to the use of the earth, it is clearly an unjust extortion to charge any one for that use, for A has no more right to charge B, than B has to charge A; from which we see that, if the value of a commodity be in any way raised by a tribute paid to land, robbery is committed; for the buyer of the commodity is made to pay for the use of that which is as much his as the seller's. Now from this it must appear that, when labour takes wealth from the earth,—wealth represented by a commodity which, while in the earth is the common property of all mankind,—the only value which in justice can be charged for this wealth is a value representing the cost of taking it out of the earth,—in short, the exact cost of the labour expended. Thus are we brought to realise that all values, in their last analysis, are *labour-values*.

We are not unmindful of the fact that many current political economists appear to be at great pains to becloud this fact, to make it appear that there are several other factors which determine the value of a commodity. In attempting this singular task their reasoning goes far astray, and most of them end with the conclusion, either tacitly assumed or actively avowed, that value is not an intrinsically determinable thing, but depends rather upon a *multitude of economic accidents*.

If A to-day needs a thing which B has, more than he needs it to-morrow, we are asked to believe that the value of B's commodity is greater to-day than it will be on the morrow. By such reasoning, which allows the seller to profit by the urgency of the buyer's need, a log of wood in a shipwreck might acquire a "value" greater than that possessed by a forest under non-extortionate conditions.

An illustration will make clear the real method of determining value. Imagine, if you please, a lake in the midst of a populous community. Suppose now a drought to dry up all the wells, so that water has to be carted from the lake. This lake is as the earth should be, common property, and any one who claimed to own it and demanded payment for its water probably would be given a short shrift. Now some of the residents of this community live at a distance from the lake, and do not own horses. They are obliged, therefore, to hire their water brought to them. What will be the value per barrel of that water delivered to them? It will be the exact cost of the labour expended in bringing it. Any wear and tear that may take place in the process,—since it can only occur to something the value

## GILLETTE'S INDUSTRIAL SOLUTION

of which is a labour-value,— is in itself, and in its effect, only a labour-factor. It will be noted that we do not take into consideration any alleged “earning” power of the capital represented in horses, carts, etc. This is not an oversight, and the reasons for the omission will be made plain in the succeeding chapter. What we wish to show here is that, since wealth is the result of two factors, one a common property and the other a personal possession,— no value which it acquires justly can come from the first factor, and every value which it acquires perforce, must come from the second factor. The first factor is the earth, to the use of which all men have equal right. The second factor is labour, the personal possession of the labourer, his very *life*, in fact, since in selling his labour he sells his time,— the stuff of which life is made. All values, therefore, are labour-values. Any other alleged values are either *outright fictions*, or more or less *subtle errors* growing out of improper definition.





## CHAPTER XVII

When good manners shall lie all in one or two men's hands, and they unwashed too, 'tis a foul thing.

*Shakespeare.*

Life is a leaf of paper white  
Whereon each one of us may write  
His word or two, and then comes night;  
Greatly begin! Though thou hast time  
But for a line, be that sublime!  
Not failure, but low aim, is crime.

*Lowell.*

The lives of men who have been always growing are strewn along their whole course with the things they have learned to do without.

*Phillips Brooks.*

I make it a virtue to be contented with my middlingness; it is always pardonable, so that one does not ask others to take it for superiority.

*George Eliot.*

Through tattered clothes small vices do appear;  
Robes, and furr'd gowns, hide all. Plate sin with gold,  
And the strong lance of justice harmless breaks:  
Arm it in rags, a pigmy's straw doth pierce it.

*Shakespeare.*

Be noble, and the nobleness that lies  
In other men sleeping, but never dead,  
Will rise in majesty to meet thine own.

*Lowell.*

We are what we are made; each following day  
Is the creator of our human mold,  
Not less than was the first.

*Emerson.*



## CHAPTER XVII



WE have seen that, just as rent accrues to land under present conditions, so interest accrues to capital, and it now remains to be seen that, just as rent is without any moral justification, so too is interest.

If all just values be labour-values, if the labourer be the only factor which can "earn" anything, then must it follow that all other returns from land, or the products of land expressed as capital, are unjustly acquired. Let us critically examine this statement. One of the most common expressions in all commercialism is that of "capital earning interest." What does this signify? We have seen that capital is a product of labour, a part of the wealth which labour has conjured from the earth, that particular part, in short, which is to be used to assist labour in the production of more wealth. We may call capital, therefore, stored labour, if you please, and we must never lose sight of the fact that the only value it has is the value of the labour put into it.

Now, suppose, as we are told by many economists, this capital could justly "earn" interest. Here would then be the anomalous condition of affairs. Smith might labour for a week and create a certain amount of wealth. Half of this he might consume and half reserve for capital. This capital, then, could be made to "earn" interest, and this interest could be compounded into capital and "earn" *further* interest. After a time Smith would find himself in a position where the results of his week's work would be "earning" as much as *he* could earn. There would then be, so far as society is concerned, *two* Smiths, each drawing the same amount of wages and only one producing, for the conception that capital produces anything will not bear examination. Capital may enable *labour* to produce more than it otherwise would, but it does not itself produce.

When Smith and his capital are each "earning" an equal amount, it will then be possible for Smith to stop work entirely and still consume as much as he originally consumed. If, now, he be as frugal with the "earnings" of his capital as he was with those of his labour, he will be able, even while doing no work, to permit his capital constantly to increase until, in the end, it may be "earning" the equivalent of the wages of several men, while he, its possessor, is living in idleness upon the labour of others. If Smith does not work but still consumes, and grows rich even *as* he consumes, where does his wealth come from? Since *he* does not make it, can anything be clearer than that somebody else must create his wealth for him? Equally clear must it be that this someone is, to just that extent, robbed by Smith and made as it were, his slave. Is it not monstrous that intelligent men can be found who will believe that the product

## GILLETTE'S INDUSTRIAL SOLUTION

of labour can become, so to speak, endowed with a personality and can earn wealth in any proper use of the term "earn"?

Now let us look at the proposition from a slightly different angle. Suppose Smith were a member of a small and self-contained community inhabiting an island. Suppose the "earnings" of his labour-produced capital have compounded and recompounded themselves, until they represent the earnings of ten men. Imagine, if you please, that the entire community consists of but twenty workers. It will at once be evident that, if the earnings of ten men all go to Smith as the "earnings" of his capital, the amount left for the rest of the community is diminished by just that much,—in short, that since Smith absorbs the product of ten men, the remaining ten men are obliged to produce enough to support not only themselves, but also their ten fellows who have been robbed by Smith. The burden put upon them is just doubled on account of the "earning" power of Smith's capital. Nor does this absurdity stop here. If the earnings of ten men—one-half of the community—have to go to Smith as the "earnings" of his capital, we are confronted with an anomaly. Let us illustrate it by a concrete case. Let us say that the twenty men in the community produce, in a given time, one thousand bushels of wheat. Upon this basis we may say that the wages or earnings of ten men is five hundred bushels of wheat. Now this goes to Smith as the "earnings" of his capital, from which we see that this same wheat is *twice earned*, once by the labourers and once by the capital. It will not do to say that it is earned first by labour and then exchanged for that stored labour which we called capital, since this contention would at once expose the fallacy of the term *earn* as applied to capital. In this connexion we need but to point out that there is a world-wide distinction between the purchase of *capital*, and the purchase of the *use* of capital. The exchange of a product of labour for *another product of labour* called *capital* does not differ in kind from any *other* exchange of commodities; but the exchange of a *product of labour* for the right merely to *use* another product of labour is very different, being rather a matter of "rent" than of exchange. Furthermore, we have still another objection to this convenient theory that capital can properly "earn" anything. If, when Smith's "earnings" are sufficient to absorb the production of one-half of his little island community of twenty, he suddenly become what is generally called generous and philanthropic, and decides to relieve his ten nearest of kin of the struggle for sustenance by distributing among them his capitalistic "earnings," we find that one-half of the community are forthwith enabled to discontinue productive labour. Inasmuch, however, as some or all of this half might be the very ones whose labour was formerly appropriated as the "earnings" of Smith's capital, and furthermore, inasmuch as only ten workers would be left in the community to produce enough for themselves and for the "earnings" of Smith's capital, which as we have seen requires the normal productive capacity of ten men, it is perfectly evident that these ten men must just double their productive output, or else Smith's capital, or they themselves, must replace the deficit by *decreased consumption*. What inevitably



## GILLETTE'S INDUSTRIAL SOLUTION

would happen would be that the ten producers would both increase their production and decrease their consumption. This they might do for a short period, but as Smith's beneficiaries began to accumulate capital which in its turn would make a further draft upon the products of the ten producers, on the one hand, while it might cut down their number on the other hand, a point would soon be reached where the whole system would break of its own weight. We need not imagine Smith as having developed any extraordinary, or even unusual, generosity. The mere tendency, seen on every hand, of the children of rich parents to show an excess of consumption over that of production would be all-sufficient to operate as we have outlined—to operate as it is now operating everywhere in the civilised world.

Were it not for the prejudice of habit and the cogency of familiarity, we should instinctively reject the idea that the mere product of labour could acquire a pseudo-personality and enter the field in *destructive competition with the very labourer who produced it*. It reminds one of those primitive beliefs of necromancy, as for example, that the attributes of the entire personality are found in every part of the body, and that if the necromancer can secure possession of an enemy's fingernail or an eyelash, he can do to that enemy all that he could do had he his entire body. Woe to you, oh labourer! when, under present conditions, necromantic capital secures possession of a part of your body of labour. It will conjure with it; it will affix a pipe-line to your productive aorta until it drain you to anæmic inanity!

We submit that any system which is self-destructive, when reduced to its simplest terms, cannot be right, logical or practical; and we further submit that the common theory of interest does reduce to an absurdity. That the ancients saw this thing is clear beyond a peradventure. Aristotle says: "The most hated sort of money-making, and with reason, is usury." Remember now, that the word *usury*, as used among the ancients, did not refer to *extortionate* interest, but referred to interest of *any* sort. All the fulminations of the Roman Catholic Church against usury were directed against it under the same definition, that is to say, were directed against interest of *any* sort. The ancient seems to have attained to a soundness of reason upon this subject which leaves the modern far in arrears. It was centuries before the need for self-justification caused the church and the laity to read into the *original* meaning of usury its *acquired* meaning of *extortion*. In this they became like tipplers who had long pretended that *abstinence* was the proper thing. They shifted their ground from abstinence and called themselves champions of *temperance*, and then defined *temperance* as a just and moderate indulgence of the liquor habit. When selfish considerations intervened, in short, when they and their friends were fattening on interest, it was easy gradually to shift anathema from *any* kind of interest to extortionate interest,—a subtle stroke of policy which had the double effect of maintaining their reputation as champions of justice, on the one hand, and on the other hand, of legitimatising interest in the minds of the public.



## GILLETTE'S INDUSTRIAL SOLUTION

We regard this matter of interest, dealing as it does with one of the fundamental principles of economics, of sufficient importance to warrant, even at the risk of repetition, a quotation from page 554 of the previous volume of this work.

"From all the civilisation which thus far the world has produced one fact stands out cruel and jagged above all others, and this fact is the glaring inequality which seems to be the inevitable fruitage of every growing civilisation. When society is young, when its people are all close to the earth, as it were, this is not so noticeable, but just as soon as progress begins to lighten labour and to push the wolf of absolute want farther from the doors of at least the favoured few, then we find the line of demarcation between the house of Have and the house of Want ever growing sharper, until the civilisation, or rather material progress, approaches its zenith, when the social family establishes two clearly defined planes of cleavage, the one being identified by conspicuous waste and conspicuous idleness, the other by conspicuous work and conspicuous want. We find, as civilisation advances, more and more is said about the 'earning' power of money, till the time has now come when scarcely one man in a thousand realises the absurdity of referring to money or wealth as 'earning' anything. Money or other evidence of wealth may accrue to the owner of money or wealth by reason of its use, but it is neither good diction nor good reason to refer to money or to wealth as 'earning' anything; and we make this statement notwithstanding the fact that this use of language has become so common that we rarely see it challenged. According to the Standard dictionary to earn is 'to gain as a just return or recompense by service, labour or exertion, or to merit by reason of service or exertion.'

"There is always in the term 'earn' a sense of the personal equation and its relation to some service rendered, with the more or less plainly implied recompense which ought to follow it. When we speak of money 'earning' interest we merely mean that those who hold this evidence of wealth will not tender it for use unless they are paid for so doing, and this pay which accrues is called interest. The point we wish to make is simply this, that money does not *earn* anything in the same way that labour earns, and if we are to use the term as applied to money or wealth we should find a different one to use in connexion with labour. The earning of labour is an active, dynamic thing. The so-called 'earning' of capital is in no sense active, but, rather, dead and static. Capital never adds to itself a single cent of wealth save through the *interposition of labour*. It is merely stored labour which can upon occasion be used to facilitate the efforts of the actual producer. If Smith borrow from Brown a hundred dollars at 6 per cent. in order that he may buy tools to till his soil and pay for the same, let us say, from the products of the ground he works, the wealth which Brown receives as interest is wealth which Smith has earned or conjured from the earth by his labour. Certainly the wealth which follows the application of Smith's labour to Smith's land can only be regarded as Smith's earnings, yet this is precisely the wealth which a little later we shall find Brown referring to as the earnings of the money he loaned Smith. This custom of

## GILLETTE'S INDUSTRIAL SOLUTION

referring to the 'earnings' of any form or part of wealth as if they were the legitimate earnings of labouring individuals has been productive of an immense deal of harm and injustice.

"Had the equivalent of twenty-five dollars of our money or approximately £5 sterling been placed on interest in England at 5 per cent., say, in the year 1690, during the reign of William and Mary, it would forthwith have begun to 'earn' wealth for its possessor. Four years later, when the Bank of England was founded, it might have secured 8 per cent., but suppose a straight rate of 5 per cent. per annum compounded had been adhered to. In the year 1903, this original 'labour-value' of \$25 would have grown by its 'earnings' to the tidy sum of \$819,200. According to the last census the average earnings of wage-earners was in the vicinity of \$438. For the sake of round figures let us call it \$440. At 5 per cent., \$819,200 yields annually, or according to present phrase, 'earns' annually \$40,960, which is a sum sufficient to cover the wages of 93 persons at \$440 per year. We see, therefore, that the frugal individual who, say in 1690, put by the results of two weeks' work, started then and there what our economists call an 'earning' mechanism which in the year 1903 is able to control the lives of 93 persons, and if this same mechanism were kept perfectly intact for a matter of 500 years or so longer it would control the lives of every man, woman and child upon the face of the globe, assuming the population to remain sensibly constant. It is something akin to this, though in a less degree, which is making its presence felt to-day upon every hand. It is a pleasant fiction of the rich to speak of their money as 'earning,' while they themselves perchance do nothing but waste. The fact of the matter is that wealth does not 'earn' anything, but that it simply confers upon its possessor the *power to levy* upon the *real* earnings of labour. The age-long mistake which has been made in this regard is one of the fruitful sources of our present inequality."

Still another enormity to be cited in connexion with this theory of capital "earning" interest is that which has been shown in the concrete in the above quotation, viz., its compounding tendency. Smith produces a given amount of wealth. He consumes part of it and part of it he lets out at interest. In not consuming all of it he may have sacrificed his more immediate desires, perhaps he even went hungry, but this is only another way of saying that he *consulted his own preference*, that preference being to gratify his more *remote* rather than his more *immediate* desires. His choice, therefore, need not demand any approbation from society on the ground of a philanthropic act. He considered *Smith* even more effectually in his frugality, than he would have, had he been profligate. Be that as it may, however, when he lets his saved capital out at interest he receives in return for it a certain portion of the products of the borrower's labour. Now this portion, as we have endeavoured to show, is entirely indefensible from the standpoint of justice and morality. But, for the sake of the argument, let us make believe for a moment that just what he receives, is just what he is equitably entitled to. Now, if this be the case the first year, we find that the next year he is receiving more,—that his interest has compounded itself,—and in



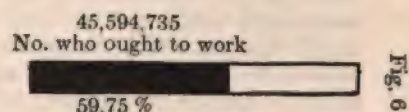
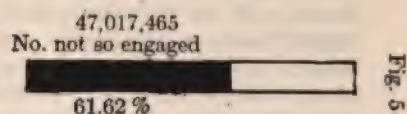
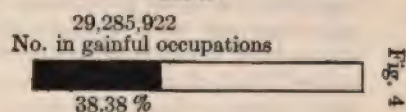
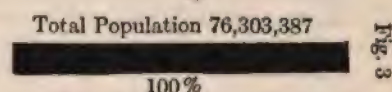
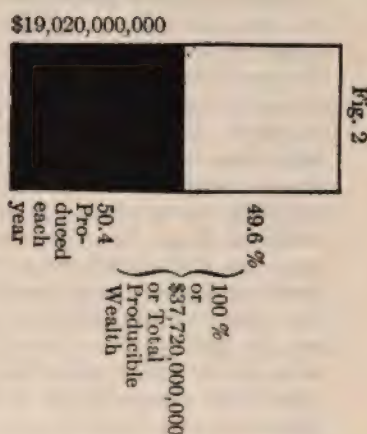
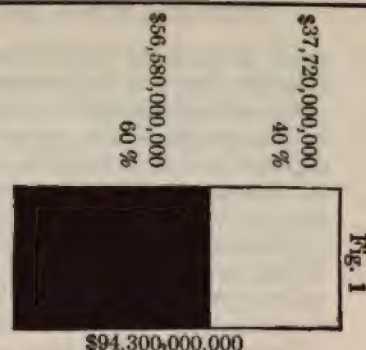
## GILLETTE'S INDUSTRIAL SOLUTION

a few years, without any further labour on his part in the creation of new wealth, he is receiving twice what he formerly received. In another period of years it is four times as much, and so on. Now, either this is *commercial perpetual motion* — the getting of something out of nothing — or else, on the assumed basis of the earlier returns being just, the latter compounded returns are grossly unjust. If the returns be not compounded but be consumed, leaving the principal intact, the case is not ethically altered in *kind*, its only change being in *degree*.

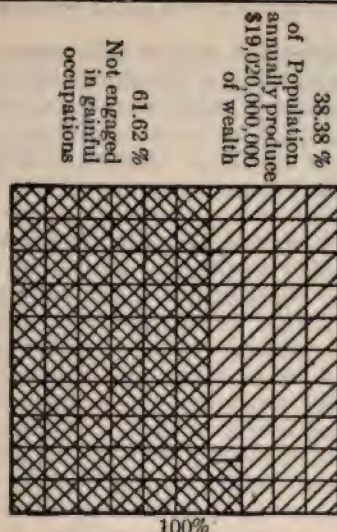
Since, as considered by political economy, the factors of production are land, labour and capital; and since, all ethical values come from the factor called labour; and, further, since labour, by applying itself to the earth creates all wealth, including as it does all capital, we should naturally expect any injustices pertaining to capital to be, in some way related to the injustices pertaining to the monopoly of the earth. This we find to be the case. That "rent" of capital which we call *interest*, sustains the closest possible relation with that monopoly of land which expresses itself in what we call *rent*, in fact, interest is hardly more than a reflexion of rent. If land were free, interest as we know it, might practically cease. No man would give up a goodly portion of his product for the use of a capitalistic tool, if he could get this tool without. We can conceive how our valued friend Smith might give six per cent. of the clams he dug for the use of a nicely-shaped shell which Brown possessed, provided Brown had a monopoly of all the shells and substitutes therefor which Smith could use to advantage; but we cannot imagine Smith paying this tribute to Brown, if there were a pile of suitable shells to which he had free access within easy reach. We see, therefore, that it is the monopolising of the means necessary to the production of capital, that enables capital to demand tribute. If one man owns all the steel in the world, machinists must pay tribute to him for the privilege of using those tools with which they do their work. A glance at the accompanying chart, showing as it does the productive capacity of labour even under present conditions, will give the reader a just conception of the ease with which labour would create its own capital were it given half a chance. This chart is taken from page 659 of the preceding volume of this work.

Add to this that the immensely increased tendency of labour to make its own capital, which would come from giving it access to the earth, would practically annihilate all demand for capital, and we can readily see that capital would probably be offered for its mere maintenance and return intact. But that a man, who by his labour has produced capital, should be entitled at any time to transmute this capital into any products representing the same labour-value he expended in the production of his capital, is simply justice; anything less robs him; in taking anything more he robs somebody else. To make a given commodity *capital*, is not to apotheosize it, it is still only a commodity, having precisely the same exchange relations that it had before. There has been so much philosophical jugglery in political economy, that many of us have been led to believe that the moment a thing could be called capital, it was just and proper to

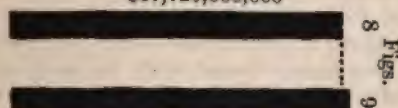




**Fig. 7**



Total real Wealth, exclusive real estate, but inclusive mines, franchises, etc.  
\$37,720,000,000



Amt. produced in 2 yrs. by 38.38% of pop. engaged in gainful occupations

**Fig. 10**  
Total real wealth \$37,720,000,000

**Fig. 11**  
Amt. produced in one year by 38.38% of population

**Fig. 12**  
78.1+%

Amt. which would be produced in 1 year if all worked who should, i.e. 59.75% of pop., or 45,594,735

**Fig. 13**

Amt. easily producible in 1 yr. by 59.75% of pop. with increased facilities and eliminating waste. \$1,298.92 per capita or annual total of \$59,223,913,186

## GILLETTE'S INDUSTRIAL SOLUTION

make it yield not only its commodity-value, but, in some cases, ten-fold that amount, while retaining ownership of the thing itself.

Borrowing capital is not a progressive purchase thereof, neither is it a process which submits the capital to a wear and tear which depletes it. It is really a process of *renting* a commodity in which the borrower makes all repairs, insures the article, and returns it intact.

There are some who, believing that under proper conditions interest would be very greatly reduced, yet hold that an almost negligible interest might still continue. They believe that this, while it might not amount to more than one-half of one per cent., is yet in accord with Nature's laws. They illustrate their view of the matter in some such manner as this. If A has a dollar with which he can buy a bottle of new wine, and this wine twenty years hence will be worth five dollars simply because it has become old, A naturally will not loan his dollar to B for twenty years for the mere return of a dollar at that time, but will, on the contrary, demand a payment for the use thereof which shall show as great an advantage as he could obtain by investing it in wine. Thus is it pointed out that, in some few cases, Nature herself adds a value with a lapse of time and this value they claim constitutes a natural basis for a very small and almost insignificant rate of interest. If all productions of labour similarly increased by the time element, they contend that this rate would be large, but, inasmuch, as a very few so increase, and, inasmuch, as this increment pertaining to a few commodities has to be distributed over an immense number which do not show it, they hold that this "natural interest" is almost negligible. For ourselves we are not prepared to admit that the ability of A to buy a bottle of wine for a dollar which he can subsequently sell for five, and his concurrent unwillingness to part with his dollar for that length of time without a similar yield, represents a condition of justice. Even if we admitted that under such conditions A could and would demand such tribute, we should not rejoice over the transaction. More than this; if Nature's productive capacity is to be considered as making toward a small natural interest, why should not Nature's destructive tendency make against such an interest? Is it not true that where time adds to the value of a single thing, it detracts from the value of two things? Nature may improve wine, but rot, moth and rust, in our opinion, far more than balance this and similar benefices. If, on the whole, Nature tends more to destruction than to construction, or if the two tendencies just balance each other, this alleged basis for a natural interest must disappear. We can conceive of a condition where the destructive forces of Nature so overbalanced her constructive forces that capitalists would not only demand interest, but would actually pay for the maintenance intact of capital which Nature would otherwise waste, just as men now pay, upon occasion, to have men inhabit and care for their houses during their absence, instead of charging them rent according to their usual custom.

Again, if all values are labour-values, we find it exceedingly difficult morally to justify the charge of five dollars for a bottle of wine



## GILLETTE'S INDUSTRIAL SOLUTION

which originally cost a labour-value of but one dollar, and upon which, in the interim, only Nature's impersonal forces had acted to make the increased value. A natural force—a chemical tendency—is as much a part of the earth, as it is economically defined, as is a plot of ground. If we are to *collect value for the action of this force*, why not for the use of the plot of ground? We must confess that we are utterly unable to see any just basis of value except the basis of labour. If all wealth comes from the earth,—an impersonal factor in which all have equal and, therefore, balanced and self-cancelling rights—through the interposition of labour—a personal factor in which no one but the labourer has *any* rights,—it seems to us self-evident that all values are, and must be, labour-values. We are quite aware that this question, like many others of its kind, has been beclouded by economical writers until the general public scarcely knows what to believe. It is for this reason that we have confined ourselves to the mere rudiments of the subject.

We have not thought it necessary even to consider the utility theory of value, any more than we have thought it necessary to treat of what is called "profit." The utilitarian value of things is neither scientific nor ethical, and "profit" is but the renaming, or better *misnaming*, of some other factor with a result of hopeless confusion.

Under the present social régime all that accrues to land is rent. All that accrues to labour is wages. All that accrues to capital is interest. Thus are all the factors provided for, and there is no place left for profit. Why should a man have any profit under our present system? He cannot possibly put into a productive transaction any more than all the factors of production, viz., land, labour and capital. Rent, satisfies his land-factor; wages, his labour-factor; interest, his capital-factor. Where does profit come in? What is the correlative of profit? Is it not *loss*? If A and B engage in a transaction and are the only factors of it, does not A's profit inevitably mean B's loss? Is it not self-evident that both sides of a transaction, as a closed system, cannot possibly reap a profit? Are we to admit that profit is just and proper when, by so doing, we should be forced to admit the monstrous absurdity that the operation of justice was unjust? Can anything be right which is self-annihilatory? Can anything be just which cannot even be thought of in *general* not to say universal application? Assuredly not. Let us not be tricked by specious reasoning. Let us keep close to fundamentals and we shall not easily be led astray. The so-called large profits, for example, of apothecaries, are not profits at all, but are simply the wages of superintendence,—the wages we pay for the very considerable time which elapses between customers, a fact which is clearly illustrated in the cut-rate drug stores. Here, owing to the great volume of trade, there are shorter waits between customers, so that the wages of superintendence subtend a very much smaller angle to the volume of business than in the ordinary country store, as a result of which condition we find the prices relatively very low and the alleged *profits* exceedingly small. In fact, public opinion has boiled this truth down into an aphorism—*quick sales and small profits*—implying, of course, the correlative—*slow sales and large profits*. The controlling variant being, as we have seen, the time element regulating wages of superintendence.





## CHAPTER XVIII

Abraham Lincoln was a rail-splitter. Yes. Were there no others? There were and are many poor boys splitting rails, and yet the crop of Abraham Lincoln remains limited to one.

*Charlotte Perkins Gilman — Human Work.*

The prosperity of a people is proportionate to the number of hands and minds usefully employed. To the community, sedition is a fever, corruption is a gangrene, and idleness is an atrophy. Whatever body or society wastes more than it acquires, must gradually decay: and every being that continues to be fed, and ceases to labour, takes away something from the public stock.

*Dr. Johnson.*

There is but one use for law, but one excuse for government — the preservation of liberty: to give to each man his own, to secure to the farmer what he produces from the soil, the mechanic what he invents and makes, to the artist what he creates, to the thinker the right to express his thought. Liberty is the breath of progress.

*Robert G. Ingersoll.*

I do not believe in exercising coercion on my fellow-men, and hence I cannot undertake to execute or imprison them directly or indirectly. Let him who is without sin cast the first stone. I refuse to act as a judge. And as people come gradually round to my opinion, there will be fewer and fewer left who will be willing to act as hangmen and jailers and warders, until finally such professions will disappear.

*Ernest Crosby.*

Think you that judgment waits till the doors of the grave are opened? It waits at the doors of your houses — it waits at the corners of your streets. . . . We are in the midst of judgment — the insects that we crush are our judges, the moments we fret away are our judges — the elements that feed us judge, as they minister, and the pleasures that deceive us judge as they indulge.

*John Ruskin.*

Your gentleman of arrogance will fight to the death for such privileges of his class as insulting his tailor and kicking his butler.

*Louis F. Post.*



## CHAPTER XVIII



It will be seen from the preceding chapters that we do not regard either rent or interest as morally defensible propositions, and it will probably be inferred that if we had our way both would be instantly abolished. This conclusion, however, does not of necessity inhere in the premises. If an injustice is to be eradicated we should strive to make the means for its eradication as just as possible. It is a legal principle that he who comes into a court of equity should come with clean hands, and it should likewise be a philosophical principle that he who would remedy injustice should seek a means to that end as just as possible. An unjust suggestion should always be the subject of doubt until it be made clear that it is at least as just as any which the nature of the case permits. If we divide ethics into temporary ethics, or expediency, and absolute ethics, or eternal justice, we shall find that nearly all of our social and political activities fall under the first division. Lacking the foresight to perceive that what is right for all time is most likely to be right for the present time, we persist in assuming that a hand-to-mouth expediency which is immoral fundamentally, is yet a good ethical bridge over a *temporary crisis*. Let us try to make this point clear, and, preparatory to this effort, let us define our terms.

What do we mean when we say that a thing is right or just? We know instinctively that whatever is right will be just, and that whatever is just will be right, broadly considered. But what do we mean by the term *right*? This term is a sort of ethical ultimate and, like all other ultimates, it can only be defined in terms of itself or its equivalents. Notwithstanding this, however, we are able to get a fairly clear conception of what this term means if we say that that course is right which makes for the highest good of the greatest number—for the greatest moral, mental and physical upliftment of the largest number. This, to be sure, leaves us still to inquire what course *does* make for these human advantages? The answer to this latter question is to be found in evolution. The ultimate force or forces of Nature are now, and always have been, pursuing a definite and inevitable trend. As the result of that trend we find ourselves, in common with all other life-forms, inhabiting the earth. It is evident, therefore, that we owe our present existence to being able to come nearly enough into line with the controlling principles of Nature to enable us to persist in their presence. Equally clear must it be that our chances for persistence are the better the more nearly we come so into line. Deeply implanted in us all is the consciousness that all truth, all right, and all justice must of necessity be self-consistent. Equally apparent must it be that if this right, this truth,

## GILLETTE'S INDUSTRIAL SOLUTION

and this justice are to remain in the great scheme of affairs, they, too, must come into line with the dominant forces of creation. Similarly are we able to see that, so far as humanity is concerned, all measures of right, of truth, and of justice, must and do, express themselves in terms of human good. Since, now, human good has no basis whatever apart from human life, since it measures itself in terms of that life properly considered, rising as the life rises, falling as the life falls, it must follow that any agency making for the development of that higher life makes, at the same time, for the development of human good. Add, now, that the mere fact of human persistence and human development in the presence of Nature's dominating forces shows conclusively that these forces at least permit such human development, and the further fact, that, in the last analysis, potentiality is necessity, and the chain is complete — the chain which shows us that the whole trend of Nature is toward a condition making possible increased human good or happiness. If we realise that truth and happiness are really only illustrations of consistency with genesis — of the adaptability, if you please, of the human microcosm to the great environmental macrocosm — the whole order of things will become plain. Do we marvel at the seeming design which places the human brain at the top of the human organism, where, it seems to us, it certainly ought to be? Let us reflect that if our brains were in our shoes, we should still be admiring the apparent wisdom exhibited in such a location. *It is impossible for us to think outside of the very factors which make us.* Being ourselves the product, throughout countless ages, of a certain natural trend of affairs, it is not conceivable that this trend should now seem *unnatural* to us. We may say, therefore, that the course of Nature is toward justice and right, and if we would know what is just and what is right, we can do no better than to study the waves of that cosmic sea which has washed upon our little intellectual shores every remnant of knowledge we possess. As we learn to navigate that sea we shall learn to increase happiness and to decrease suffering, *and this lesson is all the lesson life has to teach.* Thus are we enabled to come as near as may be to a definition of that moral ultimate which we denominate *right*, and thus, too, are we led to see that *anything which is not right, not true, not just, is in open revolt against the moving mass of all the ages, and is foredoomed to be crushed out in failure.* Expediency will not save it, for the race will not stop at side stations. *We are on the through train to the absolutely good.*

We are now able to consider what is the right course in the matter of rent, and also of interest, for, as we have stated, the latter is practically but a reflexion of the former. Individual ownership of land is, as we have shown, entirely indefensible. The titles by which we now hold land are morally unsound; in short our land, in the last analysis, may be regarded as stolen from society. Not only did men jointly own it at the start, even before there *was* a society, but practically all of the value which it has to-day, has been created by society. An acre of sand on Broadway is more valuable than ten thousand acres of the rich black soil of Texas. What makes it so? Is it not a factor of the density of population, and the social facili-



## GILLETTE'S INDUSTRIAL SOLUTION

ties which this great concourse of people makes possible? Who brought about this result and endowed this land with its great value? Society. Thus we see not only that the land was stolen from the people at the start, but that the immense value which has since accrued to it is not the result of the owner's effort but comes from the labour of society. If, now, property be stolen, is it not good law and good justice for the rightful owner to take this stolen property whenever and wherever it be found? This is the view which is taken by a whole school of political economy. The adherents of this school point out that individual possession of land constitutes a privilege to levy tribute upon the future, and they say: "We are willing to let bygones be bygones, but we demand that from this time forth you, Mr. Landowner, be honest." They admit, however, that, were their tax system to be adopted to-morrow, land values would drop like a plummet. We, for our part, while frankly admitting that this proposed method of taxation would give a result vastly nearer absolute equity and justice than the régime under which we now suffer, cannot but believe that this proposition lays itself open to the charge of expediency. It seems to us that it is not *absolutely* just, in fact, not *as* just as it easily might be. What! may not the owner take stolen property wherever he finds it? Let us examine the proposition. One most important factor has been entirely left out of consideration. Mankind has lived in social relations for hundreds of years, and under these relations certain customs and usages have grown up. Some of them, like the right of private ownership in land, we consider entirely unjust and indefensible,—in short, we think it one of the gravest mistakes ever made by man. And now comes the point; who made this mistake? Was it Jones? Was it Smith? Was it Brown? Yes, it was all three *in common with all the rest of society*. We all have made a terrible social mistake in recognising, legalising and perpetuating individual ownership in the earth.

Now, in this 20th century, *many* of us, realising the harm we have *all* done, wish to reform our errant ways and to correct, as far as possible, our fearful mistake. We find that if we do this by levying a tax upon the economic rent of land that the value of this land will fall like a thing of lead. Should this tax suddenly and unexpectedly go into operation the second of next month, my friend Smith who has just purchased a tract of land representing in value the honest labour of half his lifetime, would practically be stripped of the products of that labour. If, now, Smith had given nothing for that, if he had stolen it without a just *quid pro quo*, the case would be different. It will not do to say that, while he may have given a full labour-value for it, those who got it originally centuries before, stole it, acquired it by conquest, or purchased it for a few trinkets, *for the farther back we place the first offender the nearer to ourselves do we bring the CRIME*.

When the real theft is considered the blame lights a hundred-fold heavier upon *society* than upon the individual. We permitted the theft at the start, we recognised, we endorsed, yea, we sanctified the alleged ownership which resulted from the theft. We taxed our-

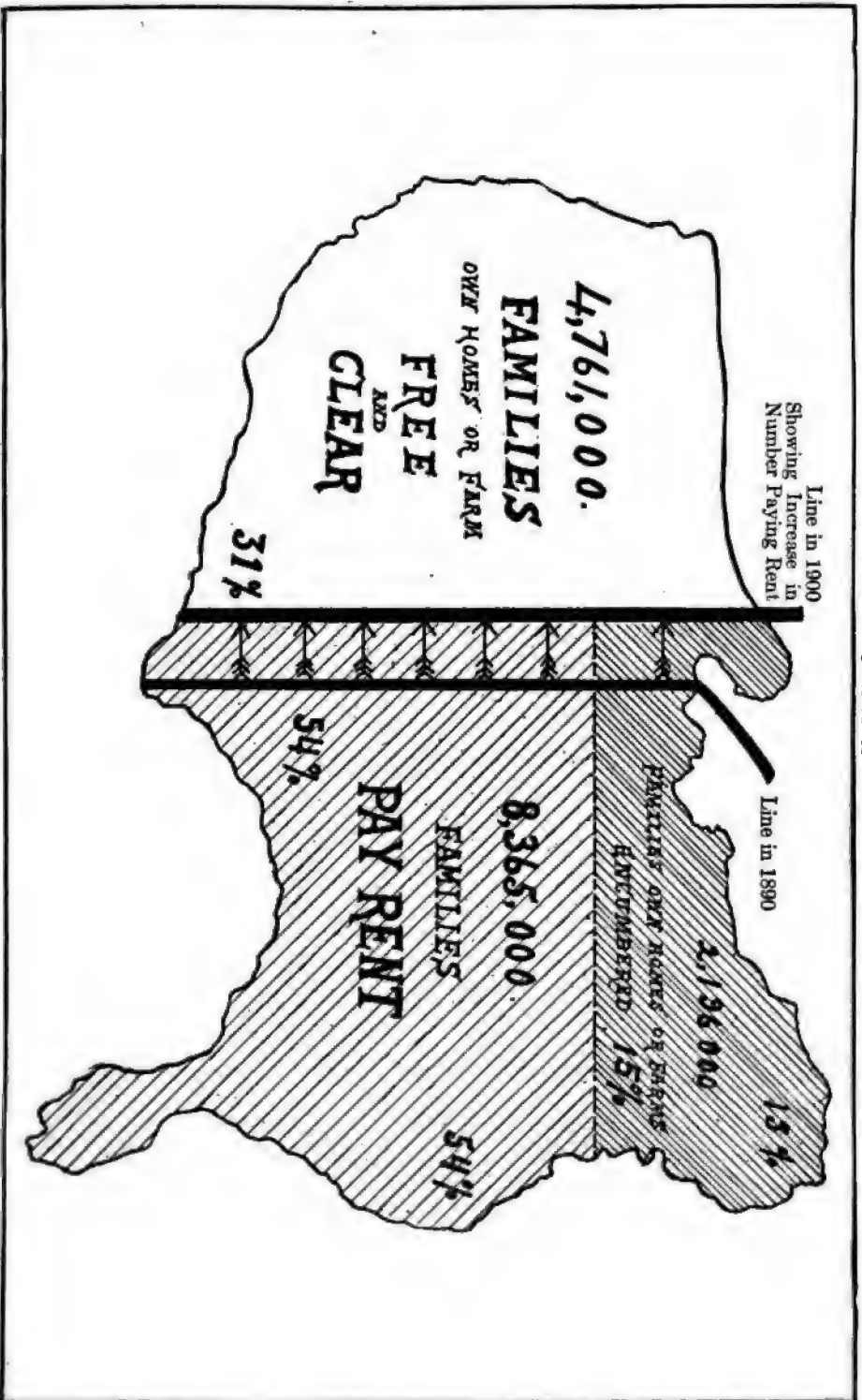


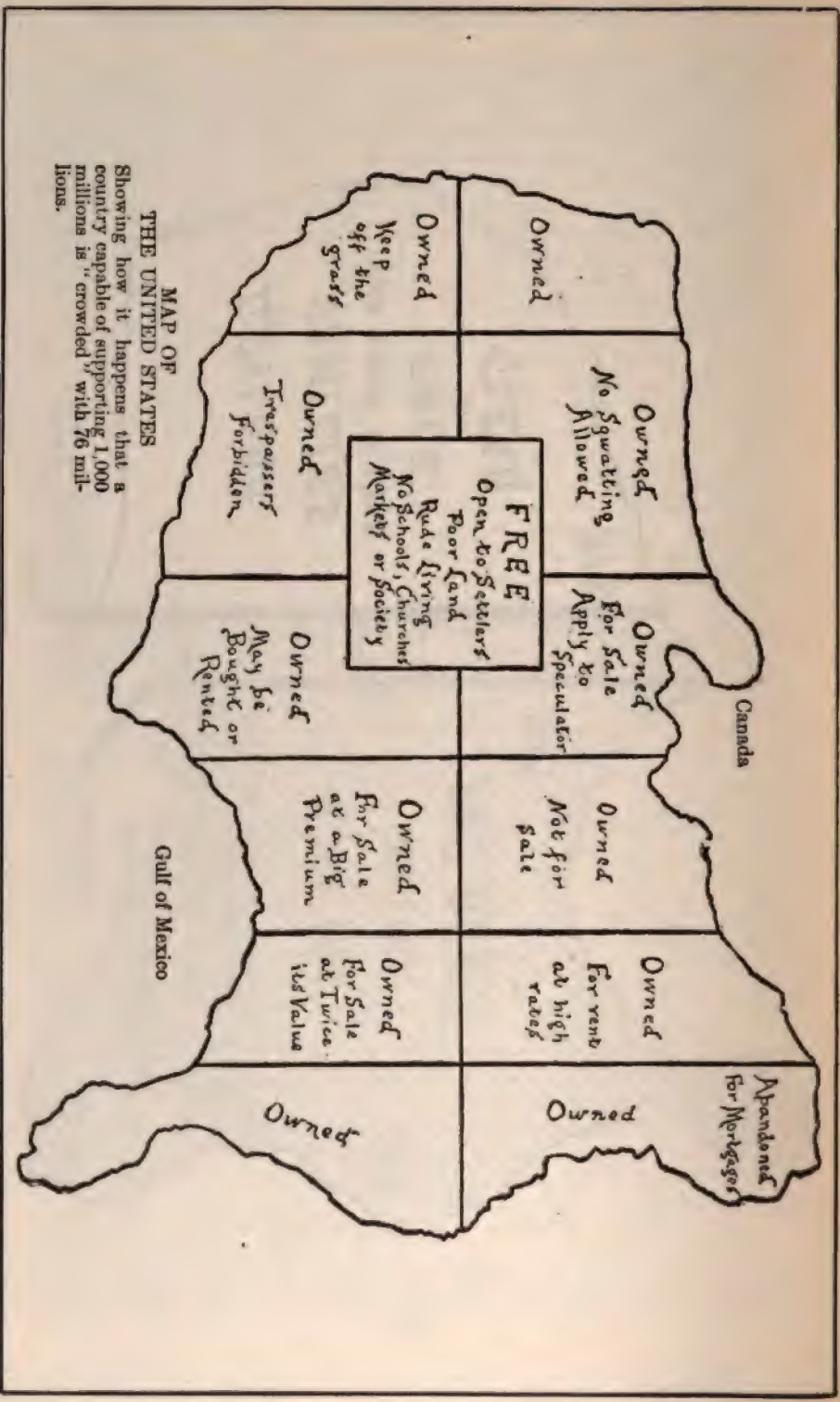
## GILLETTE'S INDUSTRIAL SOLUTION

selves to pay men to record the evidences of ownership. We built, by common consent, elaborate and fireproof buildings to keep alive these precious evidences of ownership. We met in solemn conclave and formulated laws by which the owner of this land should be enabled, with the full force of the civil arm, assisted, if necessary, by the full force of the military arm, to brush from his land each and every human being who might be obnoxious to him. We guaranteed to protect to the uttermost the rights of possession, as we painstakingly defined them, to any land which had been acquired, or might be acquired, in conformity with our legal ethics;—in short, for hundreds of years we have been to the fullest possible extent *particeps criminis* in every such land theft which has occurred under our laws. We, as *society*, are the oldest land criminal extant. No individual offender can, by any possibility, be as hardened as we; and, now, we wish to reform. How then? Shall we go about to trap such of our pals as are *red-handed at the moment*, and make them stand the whole burden of the change? Would that be just? Here is Smith, say, who yesterday paid ten thousand dollars of honestly earned money to purchase all the land which Jones inherited from a long line of ancestors, the most remote of whom got it from the Indians for three bright blankets, a string of beads and two figs of tobacco. Jones, who with his relatives, had been a land-offender for more than two hundred years,—neither he nor they ever having given any real value for the tract,—would thus receive, in addition to all they had previously received, Smith's ten thousand dollars; while Smith, who gave an honest *quid pro quo*, and who had committed no offence, would be robbed of his ten thousand dollars. We know that such a course does not represent absolute justice, and for this reason we do not believe it the best which can be pursued. The inexpressible mistake of individual ownership of land is *society's* mistake. To appreciate the awful magnitude of this mistake glance at the accompanying charts taken from the first volume of this work and graphically representing the land story of the United States. That this fearful error cries aloud for reformation must be apparent to all whose interests do not close their eyes. By all means let it be reformed, but, by all means, if a way can be found, let society, which made the mistake, bear the burden of its correction. This is not a case for vicarious atonement. We have made a mistake. Let us all manfully admit it, and let us all *equally divide the sacrifice necessary for its correction*. We believe a way can be devised by which this result, the only possible one agreeable to absolute ethics, can be reached. If, however, we are wrong in this, and if no way can be found equally to distribute the burden which must be borne in its correction, we frankly admit that we believe the method suggested of taxing land-values *to be out of all comparison* preferable to the existing régime of *injustice and despoilation*. We believe, however, that we shall be able to convince the reader that absolute ethics is a safe and practical guide here, as well as elsewhere.

We have adverted in a previous chapter to the closeness with which instinct approaches infallibility, and we wish here to draw a

CHART A





MAP OF  
THE UNITED STATES

Showing how it happens that a country capable of supporting 1,000 millions is "crowded" with 76 millions.



## GILLETTE'S INDUSTRIAL SOLUTION

lesson from this fact, instinct being, if you please, racial memory in partnership, as it were, with Nature. The mere fact that a tendency persists as an instinct is proof positive that the natural order of things made it so persist. Had it been out of line with Nature's processes it would never have become an inherited tendency. To illustrate, we may call attention to what is said of men who work in factories where high explosives are made. We are told that they say among themselves that no one can charge one of them with ever having made any mistakes in his work. The first mistake is the last, and there is not enough left of the man who makes it to serve the purpose of identification. So is it with instinct. Only the long-persistent successes can ever appear as dominating tendencies. The lesson we should learn from this is that Nature's course is mapped out, and our course is accordingly indelibly indicated, if we but interrogate Nature for these indications.

A society of human beings is an exceedingly complex structure, and if we do not consider the trend of Nature in examining it and in proposing remedies, we shall most likely do more harm than good. Just as the corporeal body tends, if let alone, to cure its own diseases, and just as the most intelligent efforts of medicine are expended in the attempt to give Nature a free chance to cure the disease, so the ills of the social body *tend* to be self-curative, and so the *reform medicine* we should give should be of a character calculated, as far as possible, to remove the human obstructions which have been placed in Nature's way.

Mr. Herbert Spencer has given us an illustration of the desire of people to *do* something even when wisdom would perhaps dictate that things be allowed to take their course. He says that when a man falls down every one rushes to pick him up, unmindful of the fact that it would do him no harm to lie there for a few moments, on the one hand, while, on the other, hastily raising him might cause serious injury. He instances also the cases of those who recommend remedial measures in some such language as this: "Take a good dose of it, it will probably cure your cough, and, anyway, it can't hurt you." As a matter of fact the reverse is often true; it does not cure the cough and it does do harm. We emphasise this point in the hope that our readers will see that only those social reforms are likely to succeed which follow natural tendencies, and which aim to afford Mother Nature the fullest opportunity to exercise her own curative beneficence.

We shall expect to show, in the succeeding pages, that the Gillette system is the result of a careful study of Nature's tendencies, and that it will find its expression in activities which are designed merely to strike from humanity those shackles which now prevent it from moving serenely with the cosmic current.



## CHAPTER XIX



When a school for criminal boys was carefully examined, it was found that, of the two hundred boys, one hundred and twenty-seven were deficient in their general mental make-up, either in the direction of feeble-mindedness or in the direction of hysteric emotion and epileptic disturbance. And fuller light is thrown on this figure as soon as others are added: in eighty-five cases the father or the mother, or both, were drunkards; in twenty-four cases the parents were insane; in twenty-six cases, epileptic; and in twenty-six further cases, suffering from other nervous diseases. Not the criminal tendency was born with the poor children, but the insufficient capacity and resistance of the central nervous system; and this was their inheritance from abnormal and degenerate parents.

*Hugo Munsterberg — Prevention of Crime.*

What does any creature need for right growth?—nourishment, rest, exercise. Society needs these too. We, in social relation as social beings, need the social nourishment, rest, and exercise. Social nourishment comes through contact with the world's supplies, permanent and current. We need to "stock up" in our common heritage of information, of beauty and use and power. Whatever we need which lower animals do not need is social nourishment. The desire to know of the healthy young mind, the desire to travel, the desire to see people, these are forms of our undying hunger for that which belongs to us as human beings. When all of us, from our youth up, are put in easy connexion with the unlimited supplies of Society, we shall all be socially nourished. Observe that these things *are not consumed* while they nourish, but remain continually refreshing as many as can partake of them. Every member of Society should have free access to all social products: art, music, literature, facilities of travel, and education; and would so absorb his preferred nourishment as unerringly as do the cells of the body from the whirling profusion offered by the blood.

*Charlotte Perkins Gilman — Human Work.*

Public utilities are those whose operation affects the interests of the public and it is on this account, and on this account alone, that the public are entitled to control them.

*James Mackaye — The Politics of Utility.*

## CHAPTER XIX



WE cannot too strongly call attention to the fact to which we have adverted in the preceding chapter, viz., that only those things can hope to succeed which adjust themselves to Nature's régime. If sociologists would busy themselves more in studying the highly evolved societies of ants, bees and the like, they would find themselves forced into much closer conformity with natural law. Whatever is built to last must be built upon the bed-rock of Nature. We may as well attempt to defy gravitation as seek to avoid the cosmic line of least resistance. Our common mother cares nothing for the individual, nothing for the tribe, nothing for human aggregations. She pours out the bounties of mother-love only upon the type. If we cannot, or will not, obey her mandates our place is speedily made vacant for those who *can*, or *will*. Ourselves, the product of past successes in the struggle of adaptation, how can we do better than to study the methods by which these successes were attained?

Starting in the jungle of savagery upon a basis of competition, and surviving now to tell the tale, is proof positive that primordial life of a competitive character showed an adaptability to natural conditions which spelled success. We have already seen in the foregoing chapters how, in primitive conditions, competition showed every advantage to the individual, while coöperation was psychologically impossible and offered the individual only disadvantages. Instancing the fact of the close relatedness, the almost virtual identity of competition and war, we were able to point out the truth cited by Herbert Spencer that social aggregates were only made possible by militant activities. Thus we are brought face to face with proof that, in the days of primordial savagery, both competition, and its twin, war, were in line with Nature's forces operating for human development. Glancing now along the line extending from savagery through barbarism into history and down to our present social state, and seeing the gradual trend of events out of militancy into peace; out of absolute egoism into budding altruism; and out of relentless competition into partial coöperation, we are brought vividly to realise that a great evolution has taken place. War is an engine which completed its work many, many years ago, and should long since have been relegated to the sociological scrap-heap. Similarly its twin, competition, has outlived its usefulness and must be sent to the limbo of outworn utilities. How say you? Shall not Nature's laws evolve as everything else subject to them changes? *Is that marvellous fluid to which we owe every flux in the cosmos, itself a stagnant pool?* Shall it not have fluency enough to keep itself pure? Is it not plain that the law which, by forcing us into a new condition of adaptation



## GILLETTE'S INDUSTRIAL SOLUTION

to itself, winds up within us motive springs which are to cause further changes, must itself change, in harmony with, and to meet these further changes, in order that the newly adapted status should not fly in the face of an old and stagnant law which gave it birth?

There is nothing in Nature of which we may be surer, than the fact that that which is a necessity to the growth of one age, may be a hindrance to that of another. As the green leaves of the new spring push off the dead remembrances of last year, so the new dispensation is first fraught with the labour of sloughing off the dead skin of the past. Then, too, there is another truth patent to all of us, so patent, in fact, that we are prone to overlook it. Just as disease ever tends in the human body to set up its kingdom of rebellion, and to establish a government which shall fight for its own existence, so Nature's outworn utilities tend to fight for their existence long after they have become a positive detriment. No better example of this is to be found than in the case of many political and religious institutions. The bit of legislation which, in early days, was the ruling autocrat's crude attempt to educate public opinion, persists as a shackling social deterrent long after public opinion has outgrown the tendency which it was intended to combat. This is apparent everywhere to-day. The hand that guides the ship of state is fleshless and putrescent; it reaches upward from the dark grave of asinine precedent. Our law has copied our religion. Like it, it binds us back upon the past. We are dragged down; we sink under the accumulated weight of past ages. We carry the useless and burdensome yoke of the past, and can only come free of it little by little, as it rots away. Thus is it that in the 20th century military competition is still a ghastly and bleeding presence, while commercial war is an ineffably pitiful reality. What is to be done? We are all of us, rich and poor, high and low, caught in the meshes of the same net. The more we struggle the closer are we enwrapped. The effluvium of our competitive greed poisons our psychic atmosphere; sets all our nervous signals at danger; deprives us of the intelligence to appreciate our danger; and so undoes us in the second generation. We talk flippantly about *race-suicide*, and never see that the *real* danger is *soul-suicide*. Those in high places give public opinion an ethics fresh from the prize-ring. Their ideals crumble beneath them, and they cement them new gods from the blood and the dust of the jungle. Christianity is but a name. Every legislative session puts Christ more completely out of court. Religion has lost its vitality. The fire of humanitarian love is smothered deep beneath sodden creeds, dank dogmas and hypocritical clericalism. The new birth is not yet, *still it will come!* The inevitable law of Nature is that we must struggle up to the light through the opaque and useless rubbish of the past.

What, then, must we do? In what is our hope? Shall we not fasten our faith to that régime which shows the closest partnership with Nature? Do we not see by every observation and by every analogy, that Nature is headed straight toward coöperation? That this is her *ultimate goal* it would perhaps be overbold to assert. We cannot be absolutely sure what is *beyond*, but it seems to us that we *may*



## GILLETTE'S INDUSTRIAL SOLUTION

predicate, beyond a peradventure, that the course of Nature leads to coöperation.

We have adverted, in a foregoing chapter, to the marvellous analogy existing between the body corporeal and the body social, and it is interesting in this connexion to ask ourselves why, if this analogy be so perfect, we should not find in the evolution of the human body a necessary competitive activity to match in kind that which we have shown to have existed in the pre-social savagery of primitive man? What answer can be given to such a question? Let us examine the facts. We have seen that competition, admittedly in its worst phase, accorded with Nature's régime in the case of primordial man and the higher vertebrates, at a time when coöperative activities were impossible, which was at a time before society existed. This, in analogous terms, is equivalent to saying that competition advantaged the pre-social cell. If, therefore, we are to look for a perfect analogue of this in the corporeal body, which matches the social body merely by being a society of cells, we must direct our attention to some prenatal period in the evolution of that body, and we should expect to find the correspondence in the pre-social cell which is to form part of the human body. In each case we would then be dealing with the unit which is the fundamental prerequisite to the subsequent society.

All life comes from an egg, or, to quote the words of Prof. Haeckel in referring to Monera: "Here we need only give due weight to the very remarkable fact that, both in germ-history and in tribal history, the animal organism begins its evolution as a structureless mucous ball. The human organism, like that of the higher animals, exists for a short time in this simplest conceivable form, and its individual evolution commences from this simplest form. The entire human child, with all its great future possibilities, is in this stage only a small, simple ball of primitive slime (protoplasm)." Elsewhere in his "The Evolution of Man," the same author says: "We regard it as a fact of the greatest interest that the human child, like that of every other animal, is, in this first stage of its individual existence, a non-nucleated ball of protoplasm, a true cytod, a homogeneous, structureless body, without different constituent parts."

Prior to fertilisation we may regard the human egg-cell purely as an individual affair. When, now, the sperm-cells seek to penetrate it there is what may analogically be called an active competition among them. Under normal conditions all strive to penetrate the egg-cell, and all but one are foredoomed to fail. Here we find illustrated that strife, that wastage of effort and material, and that record of failure which are the chief hall-marks of competition. Again, as soon as the two kinds of cells coalesce an entirely new condition of affairs begins, with the result that shortly we see developing a primordial society of cells which is to go on increasing, specialising and evolving until, in the end, it produces that full-fledged society of cells which we call the body corporeal.

There is still another consideration to be dealt with in determining what course is sufficiently in line with Nature's method to offer

## GILLETTE'S INDUSTRIAL SOLUTION

reasonable assurances of its success. We have shown at length how man, by his very constitution, tends ever to gratify to as great a degree as possible, the maximum number of his desires. This course was as necessary to him as his being, for his very persistence was dependent upon his giving it scope. As a result of all this it has followed, as inevitably it must have followed, that man to-day is dominated by self-interest. His motives are all fought out and determined within his own consciousness. Environmental conditions are of tremendous importance in the results thus obtained, but the final adjudication of each of us in this regard takes place within the sphere of personal consciousness. As a result of this, our motives are all personal motives, our interests are all self-interests. Were it possible for any individual to act otherwise, such action would be suicidal. *The world in which each human being lives is, and of necessity must be, ego-centric.* The human mind cannot *will* to do what it does not *want* to do. As easily might the lighter end of the balance sink and the heavier end rise of itself, *as for the human faculties to act upon a minority report against a majority ruling*, for the weightier considerations, whatever their numerical significance, must ever prevail over the lighter. Were this not so, psychology would be an exception to everything else in the cosmos, since it alone would not move along the line of least resistance. Is this to say that all mankind is of necessity selfish? That every individual is a selfish, hopelessly given over to selfishism? By no means. It is merely to say that we are of necessity *selfish*, and that we may or may not be *selfish*.

Dominated, as we must be, by considerations which have their rise in our own egos, we may express these considerations either in that narrow, immediate and petty gratification which characterises selfishness, or in those nobler, broader, more generous and far-seeing selfial activities which characterise the highly evolved social unit. In short, our egos may react upon an environment whose horizon is scarcely beyond our finger-tips, or they may reach out to the very confines of that interstellar space whose diameter we know to be not less than thirty thousand light-years. Whether our souls belong to the dark night of the jungle, or to the bursting dawn of the millennial age, will be unmistakably told by our acts. If our fibre be coarse, our souls unevolved, our desires crude, primitive, and of the earth earthy, our egos will meet our external environment on a miserable little handbreadth of selfishness. If, on the contrary, filled with the cosmic pulse, and dominated by an awakened social sense, our souls spread their wings in the limitless environment of all that is, and soar past the narrow, the confined, the immediate and the petty into the everlasting blue of absolute right and justice, our egos will acquire godhood and permeate the entire cosmos, thrilling as it thrills, glowing as it glows, and loving with that love which is the primordial motive of all things. Not ours the choice! It is not what *will* we, but rather what *are* we. *The cosmic forces play through us as light plays through glass, and the colours we emit determine what we are.*

He who has no social sense is to be pitied. He is a psychic fungus. It matters not what his wealth, what his station, or his ap-



## GILLETTE'S INDUSTRIAL SOLUTION

pearance. Though he be a king beneath whose sceptre cringes the whole human race, if he have not the social sense he is a moral toadstool; a narrow little being whose power is an illusion which, in the cosmic reckoning, will be set down as naught and placed on the wrong side of the decimal point and the unhappy side of his account.

If, then, we are to assume that all men are motivated by one or the other kind of self-interest, it behooves us to ask ourselves what effect this will have upon any régime for the amelioration of human ills. That it would be very hard to find a man whose conduct was never affected by selfish considerations goes without saying, and it is equally true that it would be difficult to find a human being whose acts were never influenced save by sordid selfishness. In this regard we may safely say that none of us is absolutely black, none immaculately white, but all are one or another shade of grey. It is with regret that we are constrained to admit that, under the present militant and competitive system, more than the moiety of mankind finds its controlling balance of motive in the narrow domain of selfish egoism. How then? The very class which it is hardest to convince of the desirability of any régime for human betterment, is the very class which most needs such a régime. He who is well endowed with the broad sympathy which comes from a developed social sense needs only to have the way to a better dispensation pointed out to him. He will at once see, feel, and understand. On the contrary, he whose activities are an ever-present and growing menace to the well-being of the race, is the one most in need of the reform which he will resist as if it were annihilation. How then is he to be reached? It is useless to appeal to his higher nature since that is so rudimentary in development that it forms no bar to the riotous exercise of his lower nature. He must be shown, if possible, that the proposed régime is not only better from higher considerations but is even better from those lower considerations which form the material of his dominant motives. He must be convinced that the proposed plan is good for *him*, and, since his life is wholly upon a low plane, any attempt to show altruistic advantages will be to him but meaningless skyscraping. Let no one for a moment imagine that all these sordidly selfish individuals are to be found in the submerged tenth. *In society, as elsewhere, the light-weights often float at the top.* Greed grows by what it feeds upon, and power is all but universally corruptive. Success, under a competitive system, means adaptation to that system, and adaptation to any régime which is pernicious in its influence, cannot but mean degeneracy on the part of him whose success has paid this price. As the dyer's hands are subdued to the colour in which he works, so the human soul is tinged with the colour of its own activities. Good can never come *en rapport* with evil, and at the same time remain good, so that on *a priori* grounds we should expect to find the *gravest menace to an ideal social state in the highest ranks of competitive success.* A single glance at affairs is all that is necessary to prove this true. We believe, however, that we shall be able to convince, not only those with a developed social sense, but also those with a highly developed *lack of it*, that the



## GILLETTE'S INDUSTRIAL SOLUTION

Gillette System will bring them more happiness than can be attained in any other way.

Man tends to gratify his desires with the minimum amount of exertion. He tends to gratify the maximum number of those desires. We are confident that it can be shown to all who have a developed intelligence that the Gillette System will gratify more desires, will gratify them more easily than any other system, and will also create and satisfy a great number of desires rarely, if ever, experienced under our present system. For what do we live? Is it not for pleasure? Whence comes this pleasure? Is not nervous excitation always back of it? Pause and think! The spectrum of pleasure from the ultraviolet of ecstasy to the infra-red of despair is nothing but a matter of a multitude of little tremors in a tangle of whitish tubing which we call our nervous system! All our strife, our cruelty, our greed, our war and our competition, are for the sole end that this whitish tubing may be given a peculiar kind of vibration. That is all there is to it! It is as if we were human harps whose strings were nerves over which the winds of circumstance blew now rudely, and now gently, with our whole life a struggle to secure the harmony which is pleasure, and to avoid the discord which is pain. For, as Spencer has pointed out, pleasure is that state of feeling which each man strives to get into his consciousness and keep there, while pain is that state of feeling which we all strive to get out of our consciousnesses and keep out.

An ideal social system, therefore, would tend ever to bring pleasurable feelings into consciousness and keep them there. It would tend ever to banish from consciousness painful feelings and to keep them banished. This is only another way of saying that an ideal social system must be a perfectly just system, since if the pleasure which comes into A's consciousness comes there at the expense of the entrance of pain into B's consciousness,—in other words, if A gets his pleasure by taking it away from B, the system undoes itself. This leads us to the important conclusion that no system can be just, right or good, which does not offer to every social unit the highest attainable equality of pleasure. If the clod cannot enjoy certain things as keenly as the sage, he must yet have the opportunity to enjoy them as keenly as his own inherent limitations permit.

A country is no purer than the foulest citizen who conforms to its laws, and a social system is no better than the lot of the poorest member living in conformity to it.

In treating this matter of competition there is still another consideration too important to be overlooked. We have shown at length, in the preceding volume of this work, how the moral stamina of the race seems rapidly to be breaking down, and, in tracing the evolution of present conditions in this volume, we have endeavoured to show the part which competition has played in this particular. It has been pointed out that in all changes from the old to the new, where the old has outlived its usefulness but still clings to existence through the power of its organisations, there inevitably results a putrescent condition out of which comes the new dispensation. The old institution, rife with inutility, has become corrupted and works

## GILLETTE'S INDUSTRIAL SOLUTION

now *against* the end it originally was intended to subserve. Notwithstanding all this, since Nature moves in orderly progression, it cannot immediately be sloughed off, but must slowly be eliminated. Thus there comes a time of greatest corruption just before a moral Renaissance, fitly paralleling that darkest hour which precedes the dawn. Centuries of competition, in which an approach to justice was reached only by the counteractive attempts of each side to practise extortion upon the other side, have resulted in a moral quagmire fitly described by the warning aphorism of commercialdom; "*caveat emptor*—let the buyer beware."

What is the psychological significance of this condition? Simply this. Each takes care of himself and does not trouble to look out for the rights of any one else. More than this. Under the competitive system, as we know it, each strives to overreach the other, depending on the other to do the like for him to even things up. Thus for centuries have we been repeating, in effect, the answer of the first murderer,—“Am I my brother’s keeper?” Now, since all morality, in its last analysis, is referable to others,—since, if you please, it transcends our own egoistic selves,—it must follow that just as we have ceased to consider and to protect the rights of our brother, we have ceased to *exercise our moral function*. Knowing now that Nature invariably seeks to eliminate the useless, causing the unused arm to atrophy, the unused leg to dwindle, we are able to see how an unused moral nature will progressively weaken and decay, until it finally breaks down in inutility and corruption. *This is the explanation of the present world-wide moral degeneracy. It is all due to that competitive régime which has fastened upon us the brand and the philosophy of Cain!*

We regard this subject of competition as of such vital importance that we shall repeat here two chapters published in the preceding volume of this work. Some of the thoughts in these chapters will strike the memory like repetitions of what has been written in preceding chapters of this volume. By far the greater portion, however, will be found to be new. It is believed that such repetitions as these, will only aid to fasten upon the reader’s attention a subject which is of the utmost importance to the correct understanding of the matter in hand. Another, and the chief reason, why we repeat these chapters here, is because many who read this volume will not have read its predecessor, while those who have already perused this matter to their satisfaction will find no difficulty in skipping the next two chapters.





## **CHAPTER XX**

"Everywhere men, women, and children stood in the market-place crying to the Masters of the Bread to take them to be their servants, that they might have bread. The strong men said: "O Lords of the Bread, feel our thews and sinews, our arms and our legs; see how strong we are. Take us and use us. Let us dig for you. Let us hew for you. Let us go down in the mine and delve for you. Let us freeze and starve in the fore-castles of your ships. Send us into the hells of your steamship stoke-holes. Do what you will with us, but let us serve you, that we may eat and not die!"

"Then spoke up also the learned men, the scribes and the lawyers, whose strength was in their brains and not in their bodies: "O Masters of the Bread," they said, "take us to be your servants and to do your will. See how fine is our wit, how great our knowledge; our minds are stored with the treasures of learning and the subtlety of all the philosophies. To us has been given clearer vision than to others, and the power of persuasion that we should be leaders of the people, voices to the voiceless, and eyes to the blind. But the people whom we should serve have no bread to give us. Therefore, Masters of the Bread, give us to eat, and we will betray the people to you, for we must live. We will plead for you in the courts against the widow and the fatherless. We will speak and write in your praise, and with cunning words confound those who speak against you and your power and state. And nothing that you require of us shall seem too much. But because we sell not only our bodies, but our souls also, give us more bread than these labourers receive, who sell their bodies only."

"And the priests and Levites also cried out as the Lords of the Bread passed through the market-place: "Take us, Masters, to be your servants and to do your will, for we also must eat, and you only have the bread. We are the guardians of the sacred oracles, and the people hearken unto us and reply not, for our voice to them is as the voice of God. But we must have bread to eat like others. Give us therefore plentifully of your bread, and we will speak to the people, that they be still and trouble you not with their murmurings because of hunger. In the name of God the Father will we forbid them to claim the rights of brothers, and in the name of the Prince of Peace will we preach your law of competition."

"And above all the clamour of the men were heard the voices of a multitude of women crying to the Masters of the Bread: "Pass us not by, for we must also eat. The men are stronger than we, but they eat much bread while we eat little, so that though we be not so strong yet in the end you shall not lose if you take us to be your servants instead of them. And if you will not take us for our labour's sake, yet look upon us; we are women, and should be fair in your eyes. Take us and do with us according to your pleasure, for we must eat."

"And above all the chaffering of the market, the hoarse voices of the men, and the shrill voices of the women, rose the piping treble of the little children, crying: "Take us to be your servants, for the breasts of our mothers are dry and our fathers have no bread for us, and we hunger. We are weak, indeed, but we ask so little, so very little, that at last we shall be cheaper to you than the men, our fathers, who eat so much, and the women, our mothers, who eat more than we."

"And the Masters of the Bread, having taken for their use or pleasure such of the men, the women, and the little ones as they saw fit, passed by. And there was left a great multitude in the market-place for whom there was no bread."

*Edward Bellamy — Equality.  
Permission of D. Appleton & Co.*

## CHAPTER XX



HUNDREDS of thousands of years ago, long anterior to the Neolithic age, two primitive beings suddenly came face to face in the thick jungle. This was the first time, perhaps, that either of these hairy savages suspected there was another strange man upon his earth. The information doubtless came to him in the nature of a shock. It is probable that his first thought was that he had discovered a new animal which he should kill and eat. The perception, however, that this animal was very like himself must have followed the first shock to his sluggish faculties. Treading close upon the heels of this observation would naturally have come the thought that the presence of this other being might interfere with his own absolute freedom of action, on the one hand, at the same time that it divided his means of sustenance, on the other. It was no easy matter in those days to kill game with the crude implements at his disposal, and it would be still harder were some other savage to hunt the same territory. The thoughts which passed through the mind of one savage would naturally at the same time pass through that of the other. Each would come to reason that the presence of the other was a menace to his well-being. So far as either could see, there was but a certain amount of good things to be had. If they were to be shared by two, instead of wholly possessed by one, there would only be half as many. *Right here was the idea of competition first born*, for it must be remembered that the essential principle of competition inheres only in a condition where there is an insufficiency of some commodity to supply all desires, or, what amounts to the same thing, where such is *feared to be the case*. If there be an over-plus of a certain article resulting in a competitive struggle to exchange it, the result is the same. There is still an insufficiency, actual or feared, of the available commodity sought by exchange. *Money is merely the common denominator of all desires*, the facile tool which can be at once converted into any article within the circle of exchange. The very essence of the competitive idea, therefore, is the sense of a struggle to secure some desired thing under conditions which make it *inevitable that some are to fail in the struggle*.

To make our thought clear, let us take for an illustration something with which all are familiar. When a popular dramatic star plays an engagement, there is a keen desire on the part of a goodly number of play-goers to witness the performance. The theatres frequently advance the rates, so that many of the poorer class are obliged to forego the pleasure of reserved seats and to take their chances with what are known as "rush seats." Observe, now, what happens. An hour or so before the performance there is a dense



## GILLETTE'S INDUSTRIAL SOLUTION

crowd before the door of the second gallery where the "rush seats" are located. The main entrance to the theatre is still comparatively deserted. The members of this crowd push and jostle each other for preferred positions near the door. Whenever any sound leads them to believe the door is about to be opened the crush increases, and, when finally the door is opened, there is a wild stampede up the stairs, in which women and children are frequently severely injured. The main entrance to the theatre is still deserted, and half or three quarters of an hour later people begin to stroll leisurely in. There is no jostling, no excitement, no mad rush for the entrance. Everything is quiet and orderly. What is the cause of this wide difference in behaviour? It is this. In the case of the "rush seats" there is competition. In the case of the reserved seats there is none. There are not enough desirable "rush seats" to go around. There are sure to be enough reserved seats. This is what makes the difference. That there should be those who aver that there is such zest in rushing up the stairs in a game where some are bound to lose that they infinitely prefer it to having a reserved seat where there are bound to be seats enough for all, is a sad comment both upon the intelligence and morality of the 20th century.

Bearing in mind, then, that the essence of competition is *strife resulting from insufficiency of desirables*, let us glance for a moment at its present good repute. We have been told again and again that competition is the life of trade, and to-day a large portion of our people believe that all our social ills result from the fact that competition is not free. We do not, of course, forget that there is a large and constantly growing faction, who believe in the abolition of competition altogether, but for the moment we are interested in seeing how so many have come to make a *veritable fetich* of this economic factor. The reason is not far to seek. With very few and insignificant exceptions, the whole civilised world has for many decades had to choose between competition and monopoly, and it is not so very long ago when a great many even lacked the power of choice, monopoly being forced upon them. Now, as between competition and monopoly there can, of course, be but the one choice for the people and the other choice for the monopolists. If it can be shown that this is the only alternative—that if we do not have *competition*, we must have *monopoly*,—then it would seem clear to us that we should struggle to our utmost to bring our present competitive system to its most savage state of virility, until the last vestige of monopoly is driven from the land and we all of us are fighting the economic fight with equal weapons and a fair apportionment of ammunition.

If a man's inherent greed can be checked only by that counter-acting inherent greed of his fellow, which we call *competition*, by all means let it be checked in that way, since in monopoly it is not checked at all, but runs riot.

It is not our purpose in this chapter to consider at any length, or with any degree of thoroughness, what can be said either for or against competition in its last analysis, but rather to invite the Reader's attention to certain patent factors bearing upon the case. We

## GILLETTE'S INDUSTRIAL SOLUTION

believe that a little argument will convince any searcher for truth, that any ordinary commercial competition becomes a factor in trade only when there is a lack of balance, real or apparent, between supply and demand, which is to say that *competition becomes active just in the ratio that commercial conditions become undesirable.*

Space does not permit us to elaborate the corollaries of these propositions at this juncture, as the matter is to be treated at some length upon another occasion, but we believe the close reasoner will deduce for himself the fact that competition, when it is competition *par excellence*, reaches equity only when it is equally balanced on both sides of a transaction, and, therefore, *mutually annihilatory*. A word will explain. A seller asks all he can get. A purchaser buys as cheap as he can procure. The seller would demand exorbitant prices if not checked by competition of other sellers. The buyer would offer ruinous prices if not checked by the competition of other buyers. If the competition on both sides of the transaction is *just balanced*, an equitable price will result. If there are more sellers than buyers, down goes the price below an equitable figure. If buying competition outweighs selling competition, up goes the price toward extortion. *The point we make is simply this, that, under a competitive system, justice results only when competition is balanced equal and opposite on both sides of the transaction and, therefore, mutually annihilatory.* If such be the case it must, of course, be wasteful. In algebra, when we have the same quantity on both sides of the equation, the first thing we do is to eliminate it by cancellation. Having submitted the proposition that competition is wasteful, we will now proceed to consider to what degree this waste is costly.

In his "Fate of the Middle Classes," Walter G. Cooper, Secretary of the Atlanta Chamber of Commerce, says: "Sociologists tell us that there comes a time in the history of governments, when the militant type, having done its work, gives place to the coöperative type."

"The same evolution has brought industrial institutions to the point where the militant type, characterised by competition, has reached the danger point. By the survival of the fittest we have industries so great and so powerful that they would destroy each other and pull down the whole framework of business if competition between them went on without restriction. For example: the big railway systems have to put buffer combinations called traffic associations between themselves to prevent mutual destruction by cut-throat competition. When the courts dissolve the buffers, the next thing is a consolidation on a larger scale, or, if that is defeated, a community of interest and a kind of unwritten working arrangement which serves as a *modus vivendi*.

"Competition unrestrained becomes destructive under modern conditions, and the strong crush or capture the weak. Thus competition tends to destroy itself, and to establish monopoly in its place. The ranks of industry are thinned by this warfare, but the survivors are great in proportion to the number of their victims."

Says Mr. Herbert Spencer: "From war has been gained all that



## GILLETTE'S INDUSTRIAL SOLUTION

it had to give. The peopling of the earth by the more powerful and intelligent races is a benefit in great measure achieved, and what remains to be done, calls for no other agency than the quiet pressure of a spreading industrial civilisation on a barbarism which slowly dwindles."

In the work already referred to, Mr. Cooper says, in a chapter entitled "The Misfit of Industry": "The ill-adjusted production by which so much of the world's energy has been wasted is the inevitable result of the division of labour.

"The difference between the blind energy of numerous and widely separated competitors and the same units organised and combined for concerted action is the difference between a mob and an army.

"The effectiveness and economy of energy in the army is no greater than it is in the army of industry, which combines in a few compact organisations all the establishments of that line. For example, we have the army of iron and steel producers, composed of several great combinations which correspond to army corps.

"The early history of consolidated industries is not altogether peaceful. Their path is not strewn with roses. Until some kind of federation takes place, destructive warfare is always a possibility for them.

"In proportion as the conflict of armies is more deadly and destructive than the incoherent outbreak of mobs, so the conflict of industrial combinations is more destructive than ordinary competition. When the conflicts become international, they will be embittered by national antipathies and sustained by governmental policy.

"The contemplation of industrial warfare under these conditions will tend to make less frequent such destructive conflicts. But when they do come the waste of wealth will be frightful, and will by its consequent suffering provoke such a protest from the toilers of the earth that eventually a truce will be declared.

"It is to that ultimate stage of industrial development that we must look for the best results of consolidation, for when industrial warfare in nations has been succeeded by worse conflicts between them, and these in turn have given place to international coöperation, with a free and fair exchange of the best fruits of earth and the best products of toil, we shall have reached an era in which the murder of men by wholesale will be no longer tolerated, and the unspeakable horrors of war will give place to generous emulation in the helpful works of industry."

In the case of *Kellogg vs. Larkin*, (3 Pinney 150), the Court said, in relation to the subject we are discussing: "I apprehend that it is not true that competition is the life of trade. On the contrary, that maxim is one of the least reliable of the host we may pick up in every marketplace. It is in fact the shibboleth of mere gambling speculation, and is hardly entitled to take rank as an axiom in the jurisprudence of this country. I believe universal observation will attest that in the last quarter of a century competition in trade has caused more individual distress than the want of competition. Indeed, by reducing prices below or raising them above value (as the nature of the trade permitted) competition has done more to



## GILLETTE'S INDUSTRIAL SOLUTION

monopolise trade, or to secure exclusive advantages in it, than has been done by contract. Rivalry in trade will destroy itself, and rival tradesmen seek to remove each other, rarely resorting to contract unless they find it the cheapest mode of putting an end to the strife."

Of a similar character was the pronouncement of Justice Grey of the New York Court of Appeals in the case of *Leslie vs. Lorrillard* (110 N. Y. 519), to wit: "I do not think that competition is invariably a public benefit; for it may be carried on to such a degree as to become a general evil."

In "The Social Unrest," Mr. John Graham Brooks says, in referring to the inevitableness of the social question: "The labourer is not, however, left alone with his doubts. The world is full of very wise people, who tell him with great frankness that labour does not in any sense get its fair share. They tell him that, through the manipulating of a thousand chartered privileges, labour is defrauded of a formidable portion of its product. There are no abler economists than dozens who make this declaration.

"As for the competitive wage system with its 'free contract,' a troop of eminent men denounce it in unmeasured terms. They denounce it economically, because of its wastefulness through unnecessary duplication of rival plants, with the orgy of advertising which this rivalry occasions. They denounce it morally with even more confident disapproval. They see in it the teeming source of the self-seeking which delights to take every advantage of another's weakness or ignorance, to 'best' him in the bargain. They see in it the chief stimulator of the universal hunger for quick riches which spreads among us the methods and the spirit of the gambler. They charge it with setting such a premium upon mere sharpness and cunning that this type of success becomes the attractive idol for general worship."

In his work entitled "The Trusts," the Hon. William Miller Collier says: "The most noticeable fact in the industrial history of the times is the complete lack of anything like efficient organisation of industry at large. Our advance in general business organisation has not, until within recent years, kept pace with our wonderful inventions and discoveries. Our productive agencies have been mightily improved, but the marshalling of our industrial forces has not received the study that it deserves. Trusts are in some instances, at least, attempts at better organisation. The evils of the system, which such trusts combat, are the evils of unregulated competition. Professor John Graham Brooks in his address at the Chicago Trust Conference declared that one of the most successful business men in the East had said to him: 'If the people generally knew how stupidly and wastefully much of the large business is carried on we should become objects of ridicule;' and yet the trusts, which are designed to correct these faults and to save these wastes, are the objects, to-day, of popular suspicion, reproach, and hatred. The Chairman of the Interstate Commerce Commission is quoted as saying, in substance, that if the worst enemies of the railroads had charge of the great means of transportation, they would never dare to do

## GILLETTE'S INDUSTRIAL SOLUTION

the reckless and indecent things which the managers of the railroads themselves have done in their attempts at competition. Professor Brooks is also the authority for the statement that in the business of insurance, which has been considered a marvel of organisation, there is such waste by reason of unregulated competition that one of the foremost men in the insurance business said to him: 'It would not be safe to have it known how extravagantly things are managed, or to what sorry shifts we are driven;' and that when Professor Brooks asked another prominent insurance man if this criticism were just, he replied: 'Oh, competition has got us now where the only dress we ought to wear is the cap and bells.' Trusts, when organised, as they often are, merely as unions of producers to secure the advantages of such a union in producing, are attempts to regulate business with some degree of wisdom and judgment; but trust organisers are almost invariably denounced as foes to industry and to society.

"The wastefulness of unrestrained competition is the great obstacle in the way of cheap production. It is ruinous to the competitors; it is disastrous even to the community. It not only absolutely prevents cheap production; it necessitates high prices. What are the incidents to-day of competition? They are known to every one; personal observation and experience make us all cognisant of them:—duplication and multiplication of effort to obtain a single result, several salesmen striving to secure a single order, selling agencies uselessly multiplied and selling expenses necessarily increased, sales without a profit in order to prevent rivals from selling, sales upon terms of credit that are in themselves a mere dissipation of capital, cut prices and bankrupt sales,—these are the methods of modern business life. Competition is said to be the life of trade; but competition, *as it is practised*, is, in fact, frequently 'war to the knife and knife to the hilt.' It is business committing suicide. Can men be blamed,—are they, in fact, to be condemned or criticised,—for endeavouring to stop this senseless, useless, and debasing warfare, this fatuous self-destruction?"

Mr. Collier contends that one of the greatest ills from which we are suffering is the overproduction which comes from the use of machinery. He evidently belongs to the old school of political economists — or should we say that he adheres to the college brand of political economy? Mr. Walter G. Cooper, the author of "Fate of the Middle Classes," from which we have quoted, holds a similar view. It is most regrettable that writers upon such subjects will adopt, apparently without thought, the ancient nomenclature of their forefathers. That Mr. Cooper all but sees the fallacy of his own terms is abundantly evident, but Mr. Collier does not seem to be equally fortunate in this regard. Here is what he says upon the matter, in his attempt to show the advantages of trusts: "But the greatest benefit is not the saving of the insurance, the storage, the interest, or the shop-wear, but that which comes from the lessening of the evil of overproduction,—an evil, the crushing pressure of which is daily being felt more and more by all the industrial nations of the world. There is not an industry in which machinery has



## GILLETTE'S INDUSTRIAL SOLUTION

been perfected which is not being endangered by overproduction. The machines which the skill and the cunning of men have invented, are becoming Frankensteins that now threaten to crush us. The eighty millions of Americans now have a productive capacity that is equal to the consumptive power of one hundred and sixty millions of Americans; and it should be borne in mind that the Americans are the greatest consumers of the world. It has been estimated that the machines in this country will enable its inhabitants to produce as much as four hundred millions of people could produce without labour-saving machines. There is not a single industry in which the evil of overproduction does not exist to-day. Those in which it was first most acutely felt were the first to form trusts."

Mr. Cooper points out how the overproduction of cotton glutted the market until the growers received less *in total payment* for a big crop than they had formerly received for a smaller one, and he tells how much better it would have been had they restricted the production by devoting a portion of their land to some other crop. He points out that then they would have had a commodity which, not being a drug on the market, would have had a ready exchange value, and, like Mr. Collier, he calls this evil *overproduction*. At the risk of a slight digression we cannot refrain from showing how absurd is such a contention. Farmer Smith has put all his land into cotton. He has a thousand bales. It is a drug. He cannot sell it, therefore, it might as well be soap-bubbles. If he had raised but 500 bales and other growers had followed the same proportion and had put the rest of his land, say, into sweet potatoes, we are told that his cotton would have had an exchange value, besides which he would have had a saleable crop of sweet potatoes; not having been wise enough, however, to do this, we are told that he is now a victim of "overproduction," and that he is greatly hardshipped thereby. Just how a man can be poor by having too much of a given desirable thing, other things equal, is a trifle hard to understand. Do either of these gentlemen contend that if Farmer Smith had his thousand bales of cotton and his crop of sweet potatoes *besides*, he would be worse off than if he had five hundred bales and the *same crop of sweet potatoes*? He need offer for sale but five hundred bales, and then the market, so far as he is concerned, would be just the same as in the other case. If his trouble is overproduction *per se* he ought to be the more hardshipped the more he has of the article which is a drug, *without regard to how much or how little he has of any other commodity*. Manifestly this is not the case, and we are brought to see that the evil accredited to "overproduction" is not chargeable to a surplus *per se* of a given commodity but rather to the *dearth of other commodities* which is the inevitable corollary of the aforesaid surplus. We see, therefore, that men are not made poor by having too much of any commodity, but that they are made poor and hardshipped by having too little of some other commodity, and that where the one channel runs over, the other channel tends naturally to run dry. At first blush this may seem to the casual Reader like a distinction without a difference, but



## GILLETTE'S INDUSTRIAL SOLUTION

we beg to assure him that such is not the case. It makes a great difference whether or not we explain an unfortunate commercial condition by charging it against an entirely innocent factor, simply because the guilty factor is an inevitable concomitant thereof. To charge poverty to overproduction conveys no intelligible image to the mind's eye. To charge it to *misapplied* or *wrong* production is quite another thing. We are not poor because we have too much of what we *can't exchange*, but because we have too little of what we *can exchange*. The distinction is a vital one, and if it were adhered to we should not find writers expecting to usher in the millennium simply by decreasing production. We are not advocating a disturbance of exchange values by glutting the market, nor are we denying that hardship follows that dearth of a readily exchangeable commodity which usually follows a plethora of some commodity which is a drug. We are only contending that poverty is lack of possession rather than plentitude of possession.

"Both parties to an exchange," says John M. Gregory, "will be benefited if the utility which each gains is larger to him than the utility which he parts with;" and Mr. William Smart is the authority for the assertion that "The constant striving of economic progress is toward taking commodities out of the categories of values, and making them utilities like the rain and sunshine."

If, however, a man have rain to sell he will find it a serious drug during a freshet, and his sunshine will not be marketable during a drought. The utility which he would like to acquire by an exchange of his drug commodity may be so much superior to the infinitesimal utility with which he would part in said exchange as to render the exchange impossible. Something like this condition of affairs always obtains when the cry of overproduction is raised.

Speaking further of competition, Mr. Collier says: "Potential competition is also an imperfect remedy, because, when called into activity, it so frequently is the struggle of the weak against the strong. The competitors are not on a level footing, and the contest, besides being unequal, is unscrupulously conducted.

"There is competition and competition; first, that competition which seeks to attract purchasers by better goods and lower prices, but at prices that mean fair profits and a continuance in business; and, second, that competition which lowers prices below the fair profit mark, and the purpose of which is not to secure custom for the one so lowering the price, but to drive it away from a competitor. The one form of competition is healthful rivalry; the other is a war of extermination. One is the life of business; the other its death-blow. Competition favours the strongest competitors. The big usually survive. It is the survival of the biggest rather than the fittest that frequently results from competition as it is practised. 'Cutthroat' competition is, in no sense, a practice peculiar to trusts. But when employed by trusts it is a menace to the public, for the great trusts have the power to withstand the effects of competition longer than their small rivals. In so far as this is the result of their ability to produce or market more cheaply, which is frequently, if not generally, the case, we cannot find fault with

## GILLETTE'S INDUSTRIAL SOLUTION

the competition, for the community wants cheapened production, provided it is not secured by a degradation of the working classes; and the community wants lower prices, provided they are not inconsistent with fair profits. But competitors do not confine themselves within these limits. They are merciless in their methods. Prize-fighters do not hit below the belt, but the methods of business competitors are usually more brutal than prize-fighting. With business competitors, it is war to the death. Trusts are probably no worse than individual competitors in this respect; but their powers are greater, and the result of acts done by them is more injurious than when done by feeble individuals.

"In an earlier chapter we showed that competition was the mother of trusts. Trusts are born of competition, conceived for the purpose of killing competition; and yet they use competition as a method of exterminating competitors. This paradox calls to mind the story of the minister who once preached two sermons as a candidate for a certain church which was without a pastor. His morning discourse was from the passage: 'Ye are of your father, the devil.' His evening text was: 'Children, obey your parents.' When it comes to the struggle of getting business or killing off a rival in trade, the methods of the trust reflect credit upon its mother, cutthroat competition. A good deal depends upon whether the new competitor is another giant trust or a struggling individual enterprise. If it is a case of rival trust, there may be keen and intense competition; but if it is a case of the trust against the weak and struggling individual producer, there will be the rankest of unfair methods. When Trust meets Trust, 'then comes the tug of war;' but when the Trust meets an individual competitor, then the Trust conducts itself like a thug of the slums.

"Small competitive concerns will spring up more quickly than will great ones. Oftentimes the results of careful individual attention to a small business will offset the advantages of greater capital managed by agents and subordinates. Such new small concerns can succeed against extortionate prices, and sometimes even where prices are at the fair profit mark. But what do they meet with from trusts? Cutthroat competition. What is the action of trusts in such cases with regard to prices? It is a lowering of them in the particular locality where the small hand of competition has arisen, — lowering them below the fair profit mark, lowering them sometimes below actual cost of production, lowering them at any rate to a point where the small competitors will eventually be driven from business. Why? Because they have dared to compete. For what purpose? In order to kill the competition and restore the old prices, or even to exact eventually, higher prices that will compensate for the enforced decrease that was made to kill competition. The community is interested in, — yes, is benefited by low prices; but it is injured by sacrifice sales, by 'slaughters,' by cutthroat competition. Sales at a loss soon absorb the limited capital of the weak competitor, but the loss of the trust on this fractional portion of its business is more than made up by its extortionate prices in other localities. Sometimes the trust reduces its price below cost



## GILLETTE'S INDUSTRIAL SOLUTION

in all localities. It is the party with the largest purse that can stand this cutthroat competition the longest, and that party is always the trust.

"The kind of competition just outlined is in its nature, at least, conspiracy. It is the use of one's property not directly for one's own benefit, but for the injury of another. It violates the spirit, if not the letter, of the law against conspiracy. There should be no doubt as to whether or not it does. If doubt exists, statutes should be enacted so as to express in no ambiguous terms their prohibition of such competition. It should be declared criminal, so that the strong arm of the state could punish the wrong."

This last point made by Mr. Collier is of vital import, and should be carefully considered by those who hold that the only danger which can result from large aggregations of capital comes from the special privileges which they acquire, and that if competition were free, private individuals with far less capital could successfully hold their own. For example, we find even so clear a thinker as Bolton Hall saying, in his "Free America": "The alleged ability of trusts to charge higher prices merely through their control of huge capital has little foundation in fact. The great department stores, with investments of millions of dollars each, not being protected by class legislation, sell goods cheaper and at less rates of profit than small firms doing one-tenth as much business. Without the protection against competition afforded by various special privileges, the trusts would have no other advantage than that of greater economy and efficiency through lessened expense of management and increased business. This advantage would enable them to drive out smaller competitors only when they could supply goods cheaper; which would increase the demand for labour, increase wealth and greatly benefit the masses who consume things. If there were no monopoly (and under free conditions there could be none), as soon as a trust put up prices new competitors would start up, and prices would fall to near the cost of production.

"Trusts are able to extort high prices, when the individuals or the corporations composing them are given a partial or complete monopoly of some particular industry. This is always through some law-granted privilege, such as a public franchise, patent right, protection against foreign competition, or, most important of all, the right to hold out of use lands from which rivals might produce competing commodities.

"There is the secret of the trusts' power. Not their huge aggregations of capital, but the exclusive privileges given to some trusts make them dangerous and oppressive."

That the major part of what Mr. Hall says in this quotation is true is not to be denied, but the point raised by Mr. Collier is vital and has to be reckoned with. Again and again have small concerns been nailed like dried beetles to the wall by trusts dropping their prices below a living margin of profit, and in some cases even below cost of production. Nor is this all. The knowledge that it can and will be done acts as a powerful deterrent to that capital which otherwise might compete. During the great coal-strike the duty was



## GILLETTE'S INDUSTRIAL SOLUTION

temporarily removed from a certain grade of coal, and it was thought by many that this would bring the trust to its knees, inasmuch as they believed that American capital would immediately secure ships and start the importation of foreign coal. Nothing of the sort, however, occurred to any considerable degree. To have prepared for this importation would have necessitated a very considerable outlay of capital, and this capital had not the slightest guarantee that the duty would not be almost immediately reimposed. The result was as the politicians doubtless foresaw at the time, that the coal-barons would not be in the least affected by it in their nefarious exploitation of the suffering public. A duty which thus raises the cost of a commodity to the importer and so handicaps him in competing with home-produced goods, has the same economic effect upon the importer that would be experienced by a domestic producer who found his competitors able to make goods much cheaper than he. Thus we see that the ability of a trust to enter the market, establish a cut-throat competition and sell below the cost of production for the purpose of ruining competitors must inevitably act as a deterrent to capitalists who might otherwise compete with them. It is all one to the would-be competitor whether a duty is liable to tax him out of the field, whether his business rivals can actually produce the goods cheaper than he, or whether they have sufficient financial resources to sell below the cost of production.



## CHAPTER XXI



"There was a certain very dry land, the people whereof were in sore need of water. And they did nothing but to seek after water from morning until night, and many perished because they could not find it.

"Howbeit, there were certain men in that land who were more crafty and diligent than the rest, and these had gathered stores of water where others could find none, and the name of these men was called capitalists. And it came to pass that the people of the land came unto the capitalists and prayed them that they would give them of the water they had gathered that they might drink, for their need was sore. But the capitalists answered them and said:

"Go to, ye silly people! why should we give you of the water which we have gathered, for then we should become even as ye are, and perish with you? But behold what we will do unto you. Be ye our servants and ye shall have water."

"And the people said, "Only give us to drink and we will be your servants, we and our children." And it was so.

"Now, the capitalists were men of understanding, and wise in their generation. They ordered the people who were their servants in bands with captains and officers, and some they put at the springs to dip, and others did they make to carry the water, and others did they cause to seek for new springs. And all the water was brought together in one place, and there did the capitalists make a great tank for to hold it, and the tank was called the Market, for it was there that the people, even the servants of the capitalists, came to get water. And the capitalists said unto the people:

"For every bucket of water that ye bring to us, that we may pour it into the tank, which is the Market, behold! we will give you a penny, but for every bucket that we shall draw forth to give unto you that ye may drink of it, ye and your wives and your children, ye shall give to us two pennies, and the difference shall be our profit, seeing that if it were not for this profit we would not do this thing for you, but ye should all perish."

"And it was good in the people's eyes, for they were dull of understanding, and they diligently brought water unto the tank for many days, and for every bucket which they did bring the capitalists gave them every man a penny; but for every bucket that the capitalists drew forth from the tank to give again unto the people, behold! the people rendered to the capitalists two pennies.

"And after many days the water tank, which was the Market, overflowed at the top, seeing that for every bucket the people poured in they received only so much as would buy again half of a bucket. And because of the excess that was left of every bucket, did the tank overflow, for the people were many, but the capitalists were few, and could drink no more than others. Therefore did the tank overflow.

"And when the capitalists saw that the water overflowed, they said to the people:

"See ye not the tank, which is the Market, doth overflow? Sit ye down, therefore and be patient, for ye shall bring us no more water till the tank be empty."

"But when the people no more received the pennies of the capitalists for the water they brought, they could buy no more water from the capitalists, having naught wherewith to buy. And when the capitalists saw that they had no more profit because no man bought water of them, they were troubled. And they sent forth men in the highways, the byways, and the hedges, crying, "If any thirst let him come to the tank and buy water of us, for it doth overflow." For they said among themselves, "Behold, the times are dull; we must advertise."

"But the people answered, saying: "How can we buy unless ye hire us, for how else shall we have wherewithal to buy? Hire ye us, therefore, as before, and we will gladly buy water, for we thirst, and ye will have no need to advertise." But the capitalists said to the people: "Shall we hire you to bring water when the tank, which is the Market, doth

already overflow? Buy ye, therefore, first water, and when the tank is empty, through your buying, will we hire you again." And so it was because the capitalists hired them no more to bring water that the people could not buy the water they had brought already, and because the people could not buy the water they had brought already, the capitalists no more hired them to bring water. And the saying went abroad, "It is a crisis."

"And the thirst of the people was great, for it was not now as it had been in the days of their fathers, when the land was open before them, for every one to seek water for himself, seeing that the capitalists had taken all the springs, and the wells, and the water wheels, and the vessels and the buckets, so that no man might come by water save from the tank, which was the Market. And the people murmured against the capitalists and said: "Behold, the tank runneth over, and we die of thirst. Give us, therefore, of the water, that we perish not."

"But the capitalists answered: "Not so. The water is ours. Ye shall not drink thereof unless ye buy it of us with pennies." And they confirmed it with an oath, saying, after their manner, "Business is business."

"But the capitalists were disquieted that the people bought no more water, whereby they had no more any profits, and they spake one to another, saying: "It seemeth that our profits have stopped our profits, and by reason of the profits we have made, we can make no more profits. How is it that our profits are become unprofitable to us, and our gains do make us poor? Let us therefore send for the soothsayers, that they may interpret this thing unto us," and they sent for them.

"Now, the soothsayers were men learned in dark sayings, who joined themselves to the capitalists by reason of the water of the capitalists, that they might have thereof and live, they and their children. And they spake for the capitalists unto the people, and did their embassies for them, seeing that the capitalists were not a folk quick of understanding neither ready of speech.

"And the capitalists demanded of the soothsayers that they should interpret this thing unto them, wherefore it was that the people bought no more water of them, although the tank was full. And certain of the soothsayers answered and said, "It is by reason of overproduction," and some said, "It is glut"; but the signification of the two words is the same. And others said, "Nay, but this thing is by reason of the spots on the sun." And yet others answered, saying, "It is neither by reason of glut, nor yet of spots on the sun that this evil hath come to pass, but because of lack of confidence."

"And while the soothsayers contended among themselves, according to their manner, the men of profit did slumber and sleep, and when they awoke they said to the soothsayers: "It is enough. Ye have spoken comfortably unto us. Now go ye forth and speak comfortably likewise unto this people, so that they be at rest and leave us also in peace."

"But the soothsayers, even the men of the dismal science—for so they were named of some—were loath to go forth to the people lest they should be stoned, for the people loved them not. And they said to the capitalists:

"Masters, it is a mystery of our craft that if men be full and thirst not but be at rest, then shall they find comfort in our speech even as ye. Yet if they thirst and be empty, and they no comfort therein but rather mock us, for it seemeth that unless a man be full our wisdom appeareth unto him but emptiness." But the capitalists said: "Go ye forth. Are ye not our men to do our embassies?"

"And the soothsayers went forth to the people and expounded to them the mystery of overproduction, and how it was that they must needs perish of thirst because there was overmuch water, and how there could not be enough because there was too much. And likewise spoke they unto the people concerning the sun spots, and also wherefore it was that these things had come upon them by reason of lack of confidence. And



it was even as the soothsayers had said, for to the people their wisdom seemed emptiness. And the people reviled them, saying: "Go up, ye bald-heads! Will ye mock us? Doth plenty breed famine? Doth nothing come out of much?" And they took up stones to stone them.

"And when the capitalists saw that the people still murmured and would not give ear to the soothsayers, and because also they feared lest they should come upon the tank and take of the water by force, they brought forth to them certain holy men (but they were false priests), who spake unto the people that they should be quiet and trouble not the capitalists because they thirsted. And these holy men, who were false priests, testified to the people that this affliction was sent to them of God for the healing of their souls, and that if they should bear it in patience and lust not after the water, neither trouble the capitalists, it would come to pass that after they had given up the ghost they would come to a country where there should be no capitalists but an abundance of water. Howbeit, there were certain true prophets of God also, and these had compassion on the people and would not prophesy for the capitalists, but rather spake constantly against them.

"Now, when the capitalists saw that the people still murmured and would not be still, neither for the words of the soothsayers nor of the false priests, they came forth themselves unto them and put the ends of their fingers in the water that overflowed in the tank and wet the tips thereof, and they scattered the drops from the tips of their fingers abroad upon the people who thronged the tank, and the name of the drops of water was charity, and they were exceeding bitter.

"And when the capitalists saw yet again that neither for the words of the soothsayers, nor of the holy men who were false priests, not yet for the drops that were called charity, would the people be still, but raged the more, and crowded upon the tank as if they would take it by force, then took they council together and sent men privily forth among the people. And these men sought out the mightiest among the people and all who had skill in war, and took them apart and spake craftily with them, saying:

"Come, now, why cast ye not your lot in with the capitalists? If ye will be their men and serve them against the people, that they break not in upon the tank, then shall ye have abundance of water, that ye perish not, ye and your children."

"And the mighty men and they who were skilled in war hearkened unto this speech and suffered themselves to be persuaded, for their thirst constrained them, and they went within unto the capitalists and became their men, and staves and swords were put in their hands and they became a defense unto the capitalists and smote the people when they thronged upon the tank.

"And after many days the water was low in the tank, for the capitalists did make fountains and fish ponds of the water thereof, and did bathe therein, they and their wives and their children, and did waste the water for their pleasure.

"And when the capitalists saw that the tank was empty, they said, "The crisis is ended"; and they sent forth and hired the people that they should bring water to fill it again. And for the water that the people brought to the tank they received for every bucket a penny, but for the water which the capitalists drew forth from the tank to give again to the people they received two pennies, that they might have their profit. And after a time did the tank again overflow even as before.

"And now, when many times the people had filled the tank until it overflowed and had thirsted till the water therein had been wasted by the capitalists, it came to pass that there arose in the land certain men who were called agitators, for that they did stir up the people. And they spake to the people, saying that they should associate, and then would they have no need to be servants of the capitalists and should thirst no more for water. And in the eyes of the capitalists were the agitators



pestilent fellows, and they would fain have crucified them, but durst not for fear of the people.

"And the words of the agitators which they spake to the people were on this wise:

"Ye foolish people, how long will ye be deceived by a lie and believe to your hurt that which is not? for behold all these things that have been said unto you by the capitalists and by the soothsayers are cunningly devised fables. And likewise the holy men, who say that it is the will of God that ye should always be poor and miserable and athirst, behold! they do blaspheme God and are liars, whom he will bitterly judge though he forgive all others. How cometh it that ye may not come by the water in the tank? Is it not because ye have no money? And why have ye no money? Is it not because ye receive but one penny for every bucket that ye bring to the tank, which is the Market, but must render two pennies for every bucket ye take out, so that the capitalist may have their profit? See ye not how by this means the tank must overflow, being filled by that ye lack and made to abound out of your emptiness? See ye not also that the harder ye toil and the more diligently ye seek and bring the water, the worse and not the better it shall be for you by reason of the profit, and that forever?"

"After this manner spake the agitators for many days unto the people, and none heeded them, but it was so that after a time the people hearkened. And they answered and said unto the agitators:

"Ye say truth. It is because of the capitalists and of their profits that we want, seeing that by reason of them and their profits we may by no means come by the fruit of our labour, so that our labour is in vain, and the more we toil to fill the tank the sooner doth it overflow, and we may receive nothing because there is too much, according to the words of the soothsayers. But behold, the capitalists are hard men and their tender mercies are cruel. Tell us if ye know any way whereby we may deliver ourselves out of our bondage unto them. But if ye know of no certain way of deliverance we beseech you to hold your peace and let us alone, that we may forget our misery."

"And the agitators answered and said, "We know a way."

"And the people said: "Deceive us not, for this thing hath been from the beginning, and none hath found a way of deliverance until now, though many have sought it carefully with tears. But if ye know a way, speak unto us quickly."

"Then the agitators spake unto the people of the way. And they said:

"Behold, what need have ye at all of these capitalists, that ye should yield them profits upon your labour? What great thing do they wherefore ye render them this tribute? Lo! it is only because they do order you in bands and lead you out and in and set your tasks and afterward give you a little of the water yourselves have brought and not they. Now, behold the way out of this bondage! Do ye for yourselves that which is done by the capitalists—namely, the ordering of your labour, and the marshaling of your bands, and the dividing of your tasks. So shall ye have no need at all of the capitalists and no more yield to them any profit, but all the fruit of your labour shall ye share as brethren, every one having the same; and so shall the tank never overflow until every man is full, and would not wag the tongue for more, and afterward shall ye with the overflow make pleasant fountains and fish ponds to delight yourselves withal even as did the capitalists; but these shall be for the delight of all."

"And the people answered, "How shall we go about to do this thing, for it seemeth good to us?"

"And the agitators answered: "Choose ye discreet men to go in and out before you and to marshal your bands and order your labour, and these men shall be as the capitalists were; but, behold, they shall not be your masters as the capitalists are, but your brethren and officers who do your will, and they shall not take any profits, but every man his

share like the others, that there may be no more masters and servants among you, but brethren only. And from time to time, as ye see fit, ye shall choose other discreet men in place of the first to order the labour."

"And the people hearkened, and the thing was very good to them. Likewise seemed it not a hard thing. And with one voice they cried out, "So let it be as ye have said, for we will do it!"

"And the capitalists heard the noise of the shouting and what the people said, and the soothsayers heard it also, and likewise the false priests and the mighty men of war, who were a defense unto the capitalists; and when they heard they trembled exceedingly, so that their knees smote together, and they said one to another, "It is the end of us!"

"Howbeit, there were certain true priests of the living God who would not prophesy for the capitalists, but had compassion on the people; and when they heard the shouting of the people and what they said, they rejoiced with exceeding great joy, and gave thanks to God because of the deliverance.

"And the people went and did all the things that were told them of the agitators to do. And it came to pass as the agitators had said, even according to all their words. And there was no more any thirst in that land, neither any that was ahungered, nor naked, nor cold, nor in any manner of want; and every man said unto his fellow, "My brother," and every woman said unto her companion, "My sister," for so were they with one another as brethren and sisters which do dwell together in unity. And the blessing of God rested upon that land forever."

*Edward Bellamy — Equality.  
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## CHAPTER XXI



IN "Our Benevolent Feudalism," Mr. W. H. Ghent says in his chapter, "Utopias and Other Forecasts;" "We have also the Single-Taxers, the followers of the late Henry George, who are quite as fertile in prophecy as in polemics. They dream of a millennium through the imposition of a tax on the economic value of land, and the abolition of all other taxes and duties of whatever kind. Free competition is their shibboleth; and it is no less the shibboleth of the Neo-Jeffersonians, the followers of Mr. Bryan. Except for the fact that these two schools are somewhat Jacobinical, their general notions of the coming society do not differ greatly from the notions of the orthodox economists. All of these desire, or think they desire, free competition. Arising out of an era of competition, Professor Clark sees a coming order wherein the rich 'will continually grow richer, and the multi-millionaires will approach the billion-dollar standard; but the poor will be far from growing poorer . . . It may be that the wages of a day will take him (the worker) to the mountains, and those of a hundred days will carry him through a European tour.'

"The dreadful spectre of monopoly, however, arises to threaten these visions. Most of the orthodox economists acknowledge a possible danger from it, but the Single-Taxers and Jeffersonians are sure it is a real and growing menace. Says Professor Clark, 'Between us and the régime of monopoly there ranges itself a whole series of possible measures stopping short of Socialism, and yet efficient enough to preserve our free economic system.' It is a 'free economic system' which all these are bent on having,—the economists determined on preserving it, the others on establishing it; for the Single-Taxers, with their *bête noire* of private ownership of land, and the Jeffersonians, with their *bêtes noires* of railroads and trusts, deny that our economic system is at present 'free.' Doubtless they are both right; but if there be one fact in the realm of political economy fairly established, it is that the era of competition, whether free or unfree, is dead, and the means of its resurrection are unknown to political science.

"With old men the dream of its revival is warrantable, for it springs from that retrospective mood of age which gilds past times, and that attendant mood which recreates and projects them into some imagined future; but with the younger generation visions of free competition are but as children's dreams of wild forests and shaggy animals—the atavistic reminders of experiences unknown to the individual, though knit into the fibre of the race. The subject is one far better suited to the domain of a psychologist like Dr. Stanley Hall than to the scope of this book.



## GILLETTE'S INDUSTRIAL SOLUTION

"Finally, we have the Socialists, with their prophecy of the early establishment of a coöperative commonwealth. It is a noble picture, in its best expression based upon the extreme of faith in the coming generations of mankind, however its draughtsmen may criticise the wisdom and justice of the present. There is no doubt that now a ground-swell of Socialist conviction moves like a tide 'of waters unwithstood,' everywhere one notices its influences. Even so conservative a scholar as Professor Henry Davies, lecturer on the history of philosophy in Yale University, can write, 'There is no doubt that the next form of political activity to claim attention is the socialistic, as it is the most popular and serious of any now before the educated minds of this country.' Its propaganda is carried on untiringly, and that its results are feared is evident from the equal aggressiveness of a counter-propaganda maintained by the ingenious defenders of the present régime against the whole form and spirit of Socialism."

From the above quotation one would naturally infer that the positions of the Single-Taxer and of the Socialist in this matter of competition were widely at variance with each other; and, indeed, such is generally believed to be the case. As a matter of fact, however, the advanced Socialists and the ablest Single-Taxers have very little quarrel in this respect. The Socialist says *abolish competition*; because it is cruel, wasteful and unphilosophical. The Single-Taxer says *free competition*, because the thing *now* called competition is cruel, wasteful and unphilosophical and is not as a matter of fact *real* competition at all.

In Bellamy's "Looking Backward" it was suggested that the supply and demand of labourers in the various kinds of productive work should be regulated by increasing the hours of work in those pursuits which were over-supplied with applicants, or decreasing the hours in those avocations which were not otherwise sufficiently attractive to labourers, until such time as the supply and demand should be equal. This is a use of the competitive principle in labour for the purpose of determining the just exchange value of products. When an avocation was so desirable that too many labourers competed for an opportunity to engage in it, this socialistic writer advocated making it progressively less desirable until the balance was restored. Thus we see that a certain use of the competitive principle is not repugnant to all Socialists. The Single-Taxer, on the other hand, denies that we now have real competition in any sense which he is willing to accept, and when he has carefully stated what the "free competition" is which he desires, it is found that its chief function is as a measure of values, and that it is shorn of all those attributes which the Socialist most reprobates.

Henry George said: "There is no measure of value among men save competition or the higgling of the market."

Speaking of this same competition, Mr. Louis F. Post, one of the leading American Single-Taxers, says, in his booklet entitled "Monopoly and Competition": "It is only by this means that workers can measure their work economically so as to exchange it among themselves fairly and justly. Each understands and can appraise

## GILLETTE'S INDUSTRIAL SOLUTION

the irksomeness of the labour he himself does, better than he can understand or appraise that of the person with whom he contemplates an exchange. It is natural, therefore, that he should endeavour to adjust his trades from the view point of the irksomeness of his own labour, rather than from that of the irksomeness of another's labour. Yet each is checked from appraising his own labour exorbitantly, by others who would compete if he demanded a larger return than that for which they were willing to endure the same degree of irksomeness. And if all are free, with equal access to natural and social opportunities, this competition can produce but one effect — an equilibrium of exchange at a point at which neither party to the trade gets more nor gives less than is just. While it is true that parties to trades may be actuated by selfish motives in their competition, it is equally true that they may be actuated by unselfish motives. And be their motives good or bad, the net result of their competition, if they compete in freedom, is a just equilibrium or value. It is justice, not greed, to which competition really ministers.

"But under existing arrangements competition is not free. This is a second reason why some thoughtful men have been misled into supposing that competition is neither useful nor right. Monopoly having intervened, all competition is affected by it; so that what we are accustomed to regard as competition is not true competition at all, but at the best only jug-handled competition." . . .

"It is monopoly, not its antithesis, competition, that distorts, disarranges and demoralises our industrial system." . . .

"Money obscures the fact that all legitimate trading — economically legitimate we mean — consists essentially of exchanges of labour for labour; the establishment of monopolies enables some men to get money without labouring. Between the two, the real character of competition in trading is completely hidden from common observation, and also from a good deal of observation that is not common. Trade comes to be in appearance an exchange of something for money, and competition to be a struggle between those who haven't money to get money from those who have it. The whole social mechanism is turned upside down and inside out. But it is the abolition of monopoly, not of its opposite, competition, that would correct this. If monopoly were abolished, we should soon distinctly see, in spite of the obscurity which the use of money introduces, that trade consists essentially in exchanges of labour for labour, and that competition is the natural and only just regulator of values in these exchanges. For if monopoly were abolished, none would get products of labour except by labouring, and each would get these products in proportion to the usefulness of his labour.

"The true work before us, the work that will count both in the doing and in the fruition, is to abolish monopoly and restore freedom to competition. Where monopoly is inevitable, as in water supplies for cities and the like, the service that is subject to it must be assumed by the public, to the end that in other vocations competition may be freed; private monopoly in anything tends to destroy competition in all things. Freedom of competition must be



## GILLETTE'S INDUSTRIAL SOLUTION

the aim in every movement. The other direction leads to monopoly. To these two the choice is confined. There is no middle ground. Instead of trying to guard men in their economic relations with a legal network, let us set men free — free to labour as they will, free to trade where they will, and free to dispose of what they earn as suits them best — so that each can guard himself in his economic relations.

"If that is desirable, and to us it seems the only thing worth fighting for, then we must achieve it by making competition free. Free competition, and that alone, can secure economic freedom. Without it we must have monopoly. And an economic state organised upon monopoly principles would be intolerable, whether governed by a trust magnate, a political boss, a trade union leader, a majority of the people, or even the most amiable altruist who ever loved his fellowmen."

Without at present entering into the merits of these views we wish to point out the fact that competition, as re-defined by the Single-Taxer, is not at all the thing which we commonly mean by that term, since we are informed that *real competition* is *free competition*, on the one hand, and are told, on the other, that we have never as yet enjoyed it. This is saying that we have never had competition, whereas the average layman has long been persuaded that our system contains enough and to spare of that article.

The Socialist, on the other hand, is in arms against the present competitive régime and cannot, of course, be in arms against something which does not exist, which is to say by implication that he cannot be levelling at that competition which the Single-Taxer advocates. In short, the competition which the Socialist objects to, the Single-Taxer also repudiates by denying that it is the real thing, while the chief use of the free competition which the Single-Taxer advocates has already, as we have pointed out, been recognised by Socialists as a serviceable expedient for arriving at a just estimate of exchange values.

We see, therefore, that the supposed great difference between the Single-Taxer and Socialist in regard to competition is not much of a difference after all; in point of fact, the whole controversy arising from the Single-Taxer re-defining the term to mean something quite different from its colloquial signification, while the Socialist adheres to that in common use.

In his work entitled "The Cost of Competition," Sidney A. Reeve gives a somewhat lengthy definition of the term *competition*. We are at a loss to see why this economic factor should require an involved and intricate definition. The "Standard Dictionary" is not a text-book, but its definition of this word succinctly states the real essence of the thing, to wit, "Competition, the act or proceeding of striving for something that is sought by another at the same time; a contention of two or more for the same object."

In his "The Wealth of Nations," Adam Smith, the greatest of political economists, gives the following clear exposition of the effect of competition. "The actual price at which any commodity is com-



## GILLETTE'S INDUSTRIAL SOLUTION

monly sold is called its market price. It may either be above, or below, or exactly the same with its natural price.

"The market price of every particular commodity is regulated by the proportion between the quantity which is actually brought to market, and the demand of those who are willing to pay the natural price of the commodity, or the whole value of the rent, labour, and profit, which must be paid in order to bring it thither. Such people may be called the effectual demanders, and their demand the effectual demand; since it may be sufficient to effectuate the bringing of the commodity to market. It is different from the absolute demand. A very poor man may be said in some sense to have a demand for a coach and six; he might like to have it; but his demand is not an effectual demand, as the commodity can never be brought to market in order to satisfy it.

"When the quantity of any commodity which is brought to market falls short of the effectual demand, all those who are willing to pay the whole value of the rent, wages, and profit, which must be paid in order to bring it thither, cannot be supplied with the quantity which they want. Rather than want it altogether, some of them will be willing to give more. A competition will immediately begin among them, and the market price will rise more or less above the natural price, according as either the greatness of the deficiency, or the wealth and wanton luxury of the competitors, happens to animate more or less the eagerness of the competition. Among competitors of equal wealth and luxury the same deficiency will generally occasion a more or less eager competition, according as the acquisition of the commodity happens to be of more or less importance to them. Hence the exorbitant price of the necessaries of life during the blockade of a town or in a famine.

"When the quantity brought to market exceeds the effectual demand, it cannot be all sold to those who are willing to pay the whole value of the rent, wages, and profit, which must be paid in order to bring it thither. Some part must be sold to those who are willing to pay less, and the low price which they give for it must reduce the price of the whole. The market price will sink more or less below the natural price, according as the greatness of the excess increases more or less the competition of the sellers, or according as it happens to be more or less important to them to get immediately rid of the commodity. The same excess in the importation of perishable, will occasion a much greater competition than in that of durable commodities; in the importation of oranges, for example, than in that of old iron.

"When the quantity brought to market is just sufficient to supply the effectual demand and no more, the market price naturally comes to be either exactly, or as nearly as can be judged of, the same with the natural price. The whole quantity upon hand can be disposed of for this price, and cannot be disposed of for more. The competition of the different dealers obliges them all to accept of this price, but does not oblige them to accept of less."

We see, therefore, that Adam Smith realised what we have already

## GILLETTE'S INDUSTRIAL SOLUTION

pointed out, that, when competition secured justice by establishing just exchange values for commodities, it did so by such a balancing of itself upon the buying and selling sides of the equation as to render these two parts of competition mutually annihilatory.

In Mr. Reeve's "The Cost of Competition," already referred to, he thus epitomises the cost to the community: "In short, competition does harm in three distinct ways:

(1) It robs and starves, and in that way degenerates, the individual producer.

(2) It perverts and corrupts the individual barterer's opportunity for ethical development.

(3) It establishes standards and customs within the community which react to the detriment of every citizen, without regard to whether he belongs to the bargaining or the producing classes."

Mr. Reeve devotes a separate chapter each to "The Cost to the Losers" and "The Cost to the Winners." In the former he says,—  
"At the first glance any attempt at a proper measure of the ethical cost of the competitive struggle to the classes which lose in the visible, economic sense, the classes of the starvation-wage and the submerged tenth, seems a hopeless one. It is not alone that we have no yardstick for ethical losses or gains. It is that the quantities are stupendous, unimaginable, to be appreciated by experience alone. Let one wander but briefly where these classes are to be found, not alone in the slums, where he who runs may read, but in the institutional whirlpools into which the flotsam of social turmoil is gathered a while before it disappears. Let one but glance into the almshouse, the prison, the hospital, the lunatic asylum and the morgue. What visible trace is there of aught ethical *except* loss, of simple lack of ethical impulse or of understanding of what it may be, of mere bodily shell from which all moral life has long since been eaten out, but which still carries the imprint of God's likeness until the final collapse. That is sad work, discouraging to most observers. But it is not the saddest; for there the struggle is almost over. For a while life continues, turbulent or passive, as the chance organism may dictate; but the turbulence is not that of striving, the passivity is not that of peace. Mere bodily instinct, of hunger, of resentment, of affection, remains, aping in phantom grotesqueness the remembrance of days when desire and contest and love and honour were real. That is all. It is almost always repulsive, sometimes hideous; but it is seldom very painful.

"But look further and more closely, not where poverty openly flaunts its begging needs or cloaks its shame in congested numbers, but where it hides its stern reality under a brave exterior. Look at the unnumbered, unknown millions fighting for life and pretending not; counting each ounce of strength and each penny of cash for its weight against, not always sheer hunger and cold, but against disease and domestic burden, against that deterioration which comes from monotony of existence, against childhood's lack of opportunity or age's lack of comfort, against that loss of self-respect which comes from loss of good appearance and that proper pride in social position which the self-satisfied alternately appeal to for further stimulus



## GILLETTE'S INDUSTRIAL SOLUTION

for striving and condemn as extravagantly wasteful! There is the pain! There allot your sympathy! It is not against the stunning violence of sudden death that we need to pray, O Lord, nor against the comatose convulsions of virulent disease! It is for the long-drawn torture of life without growth, the hopeless leaden pain of sensibility not yet killed nor yet permitted wholesome outlet, of numberless days dragging into numberless weeks and months and years, each absolutely alike, each denied the ear-mark of little triumphs or even of signal failure, devoid alike of the happiness of love fed and of the pleasure of hate gratified. That is the life which is worse than the rack, which beggars Tantalus; and he (or she, for so many of them are women, whom the strong of the land ought to be proud of protecting) who walks its way without impatience of spirit, or sin, or crime, walks indeed with beautiful feet. They are the brave poor things who deserve the Victorian cross. For it is they who earn the true starvation-wage."

The latter chapter he appropriately heads with the following quotations: "For what shall it profit a man if he gain the whole world and shall lose his own soul?" Mark 8:36.

"For I say, this is death and the sole death, when a man's loss comes to him from his gain." *Browning.*

Subsequently he says: "To succeed in business is to make all you can out of your neighbour. 'What the traffic will bear' is the only limiting rule as to high prices in the commercial world. There is none other voiced by either church or state,—though the true faith speaks up about it in no uncertain tone. But then, that is religion, and it and business have never been known to mix well. The law mumbles something about 'six per cent.'; about as effectively as might be expected from an institution which has abandoned all pretense to foundation upon moral principle and has planted its banner upon precedent and a percentage. Let one only be so skillful as to cause his twelve per cent., or his thirty per cent., to look merely like five, upon most superficial inspection, and he receives the plaudits of the teachers, the primates, the bench and the well-to-do.

"The court awards it and the law allows it.' Only the dim multitudes grow a little more restive, murmur confusedly, and feel about their countable ribs; knowing not how the pound of flesh has left them, but only that it is gone. Also, that more than one drop of life-blood has gone with it.

"But the shameful part of it all is that, in spite of this wide belief in the virtue of commercial competition, each actor in competitive effort is conscious, cannot help being conscious, to some quite appreciable degree, of what he is doing. He knows that his effort is to get command of the largest market at the highest price compatible therewith, and that any increment in either comes from his neighbour's pocket and is to the latter a loss. He knows that this is the antithesis of unselfishness, of Christianity. He either feels the sinking of his self-respect as he does it or else he has grown callous. He retreats, very naturally, behind the defence that failure



## GILLETTE'S INDUSTRIAL SOLUTION

of selfish effort would only reverse the situation, not remedy it; that then the other man would just as gleefully and just as wickedly pocket the defendant's loss.

"The defence stands good as an indictment of the institution of barter, but not as freeing the barterer from blame. He has heard, perhaps the day before, the sermons of Him who taught the return of good for evil, who taught a better rule than the golden one: Do to your neighbour better than you would be done by. It is not sufficient to sing amens to these doctrines on Sunday and to subscribe to the Charity Ball on Monday. All through the week let him remember his Sunday's attitude, which he felt to be so elevating and proper, in his daily transactions with all men. He will, of course, find it impossible of incorporation into his business acts. But it will come well home to him, if he but try it conscientiously, that it is impossible, that profit-seeking variation of prices and the practise of Christianity are hopelessly incompatible. If he makes but the slightest pretence to consistency he will see plainly the alternative before him: To retire from competitive business or to retire from avowed Christianity."

"All this aside, however, does competition pay, without regard to conscience, even when one wins? Does it bring peace of mind, or health, or leisure, or insurance against any of the physical or mental ills of life? Does it create a community-environment, visible or invisible, of the sort ideal in modern civilisation, a thing of peace, beauty and harmony?

"The business-man is always worried. He is always overworked. His family scarcely knows him. He lacks leisure and the æsthetic appreciation which goes with it almost as thoroughly as does the labourer. One of the editors of one of our best monthlies once remarked: 'I never knew a man truly lovable, to the core, but that he was a man of leisure.' The business-man's leisure never comes, except with competence and retirement. To many men these never come. When they do they find him broken in health, chained to commercialism of thought and taste and lost forever to true amusement."

Space does not permit more than a passing allusion to the chief costs inflicted upon society by our present competitive system. Whether or not these costs have counterbalancing amenities may be subject for argument, but that the system inflicts upon society *untold hardships* cannot be denied by any truthful person with eyes to see, ears to hear and *heart to feel*.

The following press note speaks for itself: "Fort Gaines, Ga., Dec. 28, 1904.—The farmers and merchants of Clay county met to-day, decided to burn their share of the 2,000,000 bales of surplus cotton and help restore prices. A starter was made to-day when a bonfire was made of cotton on the streets of Fort Gaines. The object is to show that the farmers are ready to sacrifice a few bales for the benefit of the masses. Excitement is increasing."

Commenting on this under the caption "Wanton Waste," "The Vanguard" says: "Such a criminal, such a shameful thing as the above could only happen under the sanctified capitalist system!"

## GILLETTE'S INDUSTRIAL SOLUTION

The people need clothes, but what of that! The market must be kept strong! Under capitalism cotton is not grown because the people need cotton, but simply because it can be sold in the market. You ought to be proud of such a crazy, criminal system!"

Our readers will remember a similar bit of history which occurred in Boston Harbour, when, despite the fact that thousands of poor were hungry and other thousands who were sick and invalided were unable to purchase fruit, cargoes of oranges were dumped into Boston Harbour in order to hold up the market-price. Is it any wonder in view of such facts that men like Edmund Kelly, M. A., of Columbia University, say: "Commercialism makes Christianity impossible; the attempt to reconcile them can lead to but one single result — hypocrisy. Social-Democracy, on the contrary, makes Christianity possible; moreover, it is the only political system that does."

Leaving out of the question all those greater evils pertaining to the ethical plane, and coming down to the sheer material wastefulness of the existing competitive régime, we need but a moment's reflection to perceive how egregiously and hopelessly foolish is the whole scheme.

John Smith pays out good money to make the public believe his goods better than Tom Jones's. Tom Jones buys expensive advertising for the purpose of creating precisely the reverse impression, and all this is charged up to the consumer who pays for it as a part of the cost of production. Salesmen run up and down the land like frightened ants in the wild hope to best their competitors. Wholesale lying is indulged in. Every effort is made to cheapen the labour cost, and when that has been depressed to a point which often yields the worker less than a living wage, the avaricious manufacturer attacks the problem at the other end and *begins to cut the quality*. It does not matter in the least how impure are his goods, he will wave his arms and vociferously shout through the agency of the press, bill-boards and car "ads," that his goods are absolutely pure, of the highest grade and "made on honour." It is a well-known fact that the success of a patent medicine is all but entirely in the advertising. A Massachusetts man has made a considerable fortune by the sale, as a specific for La Grippe, of what is said on good authority to be but sugar and water, and many other like instances could easily be pointed out.

In his "What's What," Harry Quilter says, regarding advertising in America and England: "The amount expended on advertisements in England and America is infinitely greater than that of continental nations, and Americans, as might be expected, are far bolder and more extravagant in their advertisements than their English brethren; in fact they have in many ways taught us how to advertise; taught us also some lessons in advertising which we have refused to learn. For instance, we have at present declined to paint the surface of our cliffs with Blacking advertisements; to name towns 'Raspberry Jam' or similar titles, to enhance the sale of a certain maker's preserves, or to cut huge diagrams out of the turf of our Downs, representing a favourite bicycle or an unparalleled soap. We have *not* refused to spoil the fields near London with huge boards



## GILLETTE'S INDUSTRIAL SOLUTION

recommending pills, blacking and blue-bag, but that is a comparatively innocuous proceeding. Advertisements in newspapers are much dearer in America than in England, a comparatively small portion of the paper being devoted thereto, and for other reasons. In advertising, the smaller the space devoted to advertisements by any paper the greater the cost, is a general rule. There is a peculiar blatancy about American advertisements, which is rarely to be met with in England, and which, like the indecent Paris poster, is at present repugnant to the feelings of our people. The great mass of English advertisers are content to repeat a simple announcement of their commodities a certain number of times, or even the name of the advertising firm, as who should say 'Hudson's Soap' without intermission for half an hour; and the strange part of it is that this idiotic repetition *does* frequently effect its purpose, and after we have been told a thousand times, that 'Taylor's' remove furniture, we are apt to think that they remove it better than other people. Or at all events that we may as well go there as anywhere else."

Since P. T. Barnum originated the use of posters in 1840, this branch of advertising has been steadily growing to its present proportions.

In "Modern Advertising Methods," by Hrolf Wisby, published in "The Independent" for February 4, 1904, we find the following: "Few people have any idea of the power wielded by advertising at the present day, and fewer still are acquainted with the modern tendencies that guide the expenditure of this power. A conservative and well-qualified estimate places the total annual outlay for advertising in the United States alone at \$500,000,000, and of this enormous sum no less than 75 per cent. is in payment for space in newspapers, magazines and trade journals. In other words, we spend as much on advertising as Russia, Germany, France, Austria-Hungary and Spain spend on their armies every year. Huge as the expenditure is, it is not in undue proportion to the value of business done, being little less than 5 per cent. of the total annual sales of the United States. Assuming that two billion dollars are spent annually for advertising in all countries, it will be seen that our share as the leading nation in publicity methods is one-fourth of the total amount spent.

"The newspapers occupy the most prominent position in the advertising arena. Their phenomenal growth from 2,526 modest specimens in 1850 to a round 25,000 at the present time does not, however, give any idea of the growth of the advertising they contain. The number of copies annually printed is about 4 billions, and counting an average of 100 'ads' to each copy, we face the gigantic number of 400,000 billion impressions of 'ads' made yearly by the printing press. The energy here put forth in print is so exceptionally large that we need not consider the few hundred billion impressions taken by the magazines and trade organs. Of this energy how much is wasted in unsuccessful effort and how much by competition? Figures will never be able to tell the story. It is purely a matter of judgment as to what constitutes waste and what harmful competitive publicity, but the modern tendency is



## GILLETTE'S INDUSTRIAL SOLUTION

to have no fixed rules; to make each case a case for itself. In the majority of cases, however, competitive advertising is more likely to result in waste rather than in benefit, as it only increases the cost of putting the goods into the hands of customers without improving the quality of the goods."

In another portion of the same article the author says: "While 2½ per cent. of the sales amount is looked upon as being the ideal rate, 5 per cent. is more frequently spent nowadays, and there are instances when it has paid well to invest two-thirds of the capital in advertising. The data of department stores are very reliable in this respect. The twenty large department stores in New York City spend a total of \$2,000,000 annually for advertising, or 4 per cent. of their combined sales of \$50,000,000. A Chicago house improves upon this rate with a half per cent., giving \$500,000 to publicity to sell \$15,000,000 worth of goods.

"The evolution of the advertising art has progressed so remarkably during recent years as to make the commercial traveller largely or wholly superfluous in many lines of trade that were formerly dependent upon his efforts. This tendency first evinced itself prominently in 1898, during which year twenty-eight large concerns in New York City, twenty-one in Chicago, seventeen in Boston and probably a score additional in other cities, discarded their travelling staff altogether, substituting printed matter. Tho' advertising is making serious inroads on the domain of the salesman, he, nevertheless, continues to be one of the main assets in the general publicity scheme. There are some 350,000 commercial travellers in this country, costing on an average \$2,000 per man, which amounts to a total expenditure of \$700,000,000 annually. As each man is supposed to advertise his house as well as to solicit orders for goods, we may safely place at least one-third of his total expense — a round \$230,000,000 — to the credit of advertising."

Mr. Wisby asserts that the number of general advertisers has almost doubled itself six times between 1898 and 1904. He calls attention to the fact that Orlando Bourne, the first advertising agent, hung out his shingle in New York in 1828, and that even as late as 1871 one-half the agents in the country, doing nine-tenths of the annual publicity business of the United States, were domiciled in the Times building, New York. He states that magazine advertising, which began with an "ad" in the "Atlantic Monthly," in February, 1860, now averages five pages of advertising to seven of reading in the 160 leading monthlies in this country, having a combined circulation of 25,000,000 copies; nor is all the outlay confined to papers and magazines. We are told that some insurance companies spend annually as much as \$20,000 for calendar publicity. Medical houses use almanacs, some houses circulating more than 2,000,000 per annum, while we are informed that one house claims an annual edition of 25,000,000 copies. Catalogues represent another extensive department, some of them containing no less than 100,000 items listed for sale. The same article states that the capital invested in window display amounts to 750,000 storefronts in the United States, the plate glass in which, at an average

## GILLETTE'S INDUSTRIAL SOLUTION

cost of \$100 per front, represents an investment of \$75,000,000, not counting either the value of the goods displayed or the wages of the men who do the trimming.

Regarding a branch of the advertising business of which the layman knows but little, Mr. Wisby says: "The letter broker plies his underhanded trade of selling, buying and renting letters, received in answer to 'ads,' chiefly with unscrupulous mail order houses. Few letters are sold outright, the custom being to rent them at the rate of \$4 for each hundred thousand, with a rising scale in price governed by the recency of the date and the number of originals in the lot. In the medical, financial and publishing line there are a surprising number of prominent houses who are in the dishonest habit of publishing as testimonials of their own goods letters received in answer to the advertising of others. Letters from speculators in response to discretionary pool 'ads' are thought to command the highest rental, and sharpers looking for victims have been known to pay as high as \$1,500 for 50,000 such copies. Letters from debilitated persons in response to the efficacy of some remedy or cure hold the record for tenacity of usefulness, and are used over and over again by dozens of different concerns selling dozens of different remedies. The public is to blame itself for this shameful imposition on its credulity, since the letter brokerage business would never have been possible were it not for the silly testimonial habit of consumers."

The following figures give some idea of the amount of effort which is absorbed by competitive methods. More than \$50,000,000, we are told, is annually expended in bill-board posting in the United States. The amount annually paid for new signs in New York city alone is \$3,000,000. Car "ads" represent \$2,000,000. New York city supports a regiment of 1,200 "sandwich" men who display "ads." Then there is what is called the "follow up" system which is replacing travelling salesmen. By this system the prospective customer is bombarded through the mail at stated intervals with all manner of attractive advertising matter.

The immense cost of all these multifarious advertising schemes can better be imagined than accurately figured, and it all comes out of the *consumer* in the end. It is as wasteful as a leaking spigot or a sanded bearing, and it is no wonder that many efforts have been and are still being made to eliminate from our social system this insatiable Minotaur. In the new system which we shall lay before the Reader in due course all this waste will be done away with once and for all.

## **CHAPTER XXII**



In normal social conditions every man would do the work he loved and love the work he did, so life and happiness would become synonymous.

*Charlotte Perkins Gilman — Human Work.*

That there has been improvement in the rank and file of society is not denied, but it is due to our partial and grudging distribution of the social good along normal lines of public provision, such as free schools and libraries, and not to our idiotic ideas of individual work and pay.

Where there is no such public provision our economic concepts act to crush and degrade the worker. That increasing specialisation with its mechanical adjuncts, which should make it possible for a man to discharge his social obligations in an hour and then be free to contribute to progress by larger growth, we have taken advantage of to compel an amount and grade of labour alike ruinous to the individual in his immediate sacrifice and to the society composed of such sacrificed individuals. Men dying of thirst have been known to bite madly into their own flesh and suck the blood, but for a prosperous, growing society, rich, powerful, safe, intelligent, to make a steady diet of its own meat, is unreasonable.

*Ibid.*

Our patriotism, which rushes madly forward to "save the country" when it is in visible danger, and, having saved it, proceeds to exploit it for personal advantage all the rest of the time, is on a par with love for one's family, which would risk life to "save" it, from flood, or fire, or injurious attack, and then mercilessly cheat it, starve it, keep it cold and dirty and ignorant and sick and vicious — when not "in danger." The danger to our country from our general neglect and misuse, and our frequent positive injury, is far greater than that of occasional war. We need a patriotism that will operate all the time.

*Ibid.*

The community which dares not protect its humblest and most hated member in the free utterance of his opinions, no matter how false or hateful, is only a gang of slaves.

*Wendell Phillips.*

Encroachments upon rights of free speech and free assemblage which we have looked upon with indifference because they were for opinions which to us seemed false or hateful, we have suddenly found applied to ourselves. Here is repeated again for us the warning of which all the histories of liberty are but the record. The outposts of our rights are to be found in the maintenance of the rights of the least of our brethren. The more odious they, the more do we need to keep our lamp of vigilance trimmed and burning for their defense. It is through the weak gate of their uncared for liberty that the despot will steal upon us.

*Henry D. Lloyd.*

## CHAPTER XXII



IN the previous volume of this work we considered present world-wide conditions at considerable length. In the foregoing chapters of this volume we have dealt with the genesis of present conditions and have striven to show the reader how the present competitive régime came to be considered as the Ultima Thule of social possibilities. We have now to consider those conditions which would obtain in a perfectly adjusted ideal society, could such a consummation be reached. In short, could we create a social state to our own liking, what sort of a society would we bring about.

Our perfect social state would be one of absolute justice, the highest liberty compatible with equality of liberty, and the greatest possible happiness of the greatest number. To put it in a single phrase, an ideal society would give perfect satisfaction to every legitimate human desire now existing, and would continually increase both the quality and the number of these desires, as well as the means for their full gratification. This, we believe, is a fair statement of what a perfect social régime should accomplish. The difficulty with it is that it is expressed in terms which themselves require definition. What do we mean by *justice*? Just where is that elusive line which separates *liberty* from license? How may we bring about an *equality* between a spoonful of brains and a bushel, or is this not comprehended in the meaning of our term? What is *happiness*? How shall we know whether a given state represents a greater or a lesser happiness? How shall we discriminate between an intense and confined happiness, and one of much lower potential but much wider diffusion? Are we always to follow absolute ethics, or are there times when expediency will yield a higher return? Is it true that ideal methods will only produce the highest results in an ideal state to which they are adapted? If we are caught unarmed by highwaymen, and a threatening movement toward our hip-pocket will disperse them, will not this deception show a result nearer justice than the frank confession that we are defenceless? Are we to test the *means* in terms of the *results*? If we do this where are we to stop? Clearly, if we are to hold that the end justifies the means, we must consider the *means* as part of the *end*, or as indelibly colouring it, else all moral barriers would soon break down. If what we are wont to call the *end*, brought happiness to Smith, while the *means* to that end inflicted misery upon Jones, shall we say that the end justified the means? Is not the crux of the whole question right here? Only that can be absolutely right which shows the maximum return in the form of happiness. We must ever bear in mind that, while natural selection throughout the whole domain of Nature leads to the survival of the fittest, the survival of the fittest can never be



## GILLETTE'S INDUSTRIAL SOLUTION

the survival of the best except under ideal conditions. An illustration will make this plain. In a community of murderous pirates he would be fittest to survive whose piratical propensities were most strongly developed, while he who was honest, compassionate and altruistic would quickly go to the wall. In other words, under an invasive régime egoists and egotists would be fitted to survive, while those with a highly developed social sense would find themselves hopelessly out of harmony with conditions.

There are many who are wont to speak of the survival of the fittest not as if it meant the success of the *best adapted*, but rather as if it indicated the supremacy of the *highest types*. This is a grave mistake. Since, by virtue of the laws of evolution, the best adapted under any system become the most successful, and since the least adapted become failures, is it not of the utmost importance to see to it that the *system itself* is as nearly perfect as possible? *Our present competitive system leads straight to social degeneracy. It is morally suicidal.* In the preceding volume of this work great pains were taken, and much space utilised to show the truth of this postulate *a posteriorally*. The array of facts presented is, we believe, unanswerable. We shall now proceed to show that our present competitive system must make straight for social degeneracy from *a priori* considerations. It is easy to show that such inevitably must be the case. These are the postulates. The successful under our present system are, of course, those who are best adapted to it. Given a hundred men who are industrious, methodical, selfish, relatively unscrupulous, keen and alert, and another hundred who with other things equal, are deficient in these very qualities, and the chances of success in the last named hundred would be very small as compared with the first named hundred. This is only to say that those who are fitted for the present régime would become relatively wealthy and prosperous, while those who are unfitted would inevitably tend toward the poverty of failure. The evidences of this condition of affairs crowd upon the attention from every side, making the truth of the statement all but self-evident.

Now it is a well-known statistical truth that the poorer classes of society are the most rapid breeders. Even allowing for the increased mortality among the children of the poor, we have still to face the fact that the greater majority of the next generation will be fathered by the failures of this generation. If, now, evolution means anything, it means that these failures will be inclined to transmit to their progeny the same tendencies which made them failures. Thus we see that the present régime, wherein those least fitted to survive furnish the majority of the next generation of society, is a régime tending ever to undo itself by making the status of the social unit progressively lower. That this is *actually so* is abundantly proved by the preceding volume of this work. What then is the remedy? Must we ask for a régime in which the *best fitted* shall fail, and the least fitted succeed, or shall we seek for a social condition in which the best men shall be poor and the least estimable rich? If we criticise the present régime because it tends towards degeneracy, what shall we offer in its place that will not do the like? The answer to



## GILLETTE'S INDUSTRIAL SOLUTION

these questions is not far to seek. We have only to study Nature's laws to get the necessary light. It is well known that after wars and famines most of the children born are males. It is also well known that poverty breeds faster than riches, and it has been stated, with extreme probability, that the determination of sex in the individual case is due largely, if not wholly, to whether at the time a condition of anabolism or catabolism obtains with the mother.

Were Mother Nature sentient and purposeful, we should think that she realised that the wealth she had stored in the earth was more than sufficient for all her children, and that, seeing them in poverty, she thought the reason for it must be because there were not hands enough to get her wealth from the earth, and that she accordingly sought to remedy this defect by replying to hunger with an increased birth-rate. We could easily understand how she might fail to see that the real trouble was because her children were shut away from the earth by an artificial and infinitely cruel social system; for are there not to-day millions of so-called intelligent men who either cannot, or will not, see this patent truth? From the evolutionary standpoint this law of Nature is readily explicable without having recourse to any form of teleology. As a sex the male is initiative and active, while the female is more passive, receptive and vegetative. Like breeds like. If nourishment be scanty there is not much opportunity for either sex to vegetate, and the result of this condition upon the mother is that she tends to bring forth male rather than female children. If, now, we are to seek a social state in which the failures of one generation will not furnish the social units of the next generation tinged with their own tendencies, we have only to establish a régime under which *no strata* of society shall have insufficient nourishment, or better still a régime which shall be without caste of any kind.

Are we not as wise as the bees? When they wish to change to a queen bee an egg which would normally produce a worker, they feed the larva with particularly nutritious food and the result is a queen. Are we not intelligent enough similarly to realise the value of food? One thing at all events seems certain, either the social unit must degenerate under the pressure of the natural law here adverted to, or society must be so altered that the tendency of failure to multiply itself faster than success shall be checked.

In adverting to the fact that the survival of the fittest can only be the survival of the best under ideal conditions, and in calling attention to the truth that under imperfect conditions it is often, if not always, impossible to get the highest results from a course which checks perfectly with absolute ethics, there yet remain two vital points to consider. It must be remembered, in the first place, that those natural conditions which form the environment of all men are changing. Nature is herself evolving, and this evolution is toward that ideal condition in which the fittest to survive shall also be the best. The second point to be noted is, that, forced as we are to look for our best results from an ethical course which is not absolutely perfect, we should strive always to make our *relative* ethics approach the absolute standard as nearly as circumstances will per-

## GILLETTE'S INDUSTRIAL SOLUTION

mit. In determining which one of a variety of possible courses is best, we shall invariably find it to be that one which is "least wrong," or most nearly approaches absolute ethics.

In this connexion it seems wise to advert to a point made very clear by Herbert Spencer. In considering this matter of absolute ethics he very properly takes the ground that there are many cases where none of the acts possible of performance can be properly characterised as right. In other words, he asserts that absolute right is a condition of ideal existence, a condition seldom met even in particular instances under existing conditions. To him, therefore, the relatively right is merely the "*least wrong*." We refer thus to this characterisation for the reason that it lends clearness to the definition given absolute ethics.

We believe enough has been written to make it clear to the reader that we would define absolute ethics as that course of conduct which would insure the greatest happiness of the greatest number. This should be, must be, and is, the sole end of life. In his "The Politics of Utility," James Mackaye says: "*A right act is that act among those at any moment possible whose presumption of happiness is a maximum. A wrong act is any alternative of a right act.*" We see, therefore, that any question as to which ethical course of a variety of courses is the relatively right one, or the one "least wrong," can instantly be answered if we can ascertain which one will produce the largest yield of happiness.

We have said above that Nature is herself evolving, and that this evolution is toward a higher and better condition. How may we be sure of this? The answer is this. Whether or not Nature is undergoing a betterment must be determined in terms of human life, since we who are asking the question have no other interest than human interest. If, now, the object of life be happiness, the answer to the question must be in terms of human happiness, so that the subject presents itself thus. If Nature be evolving toward a condition making toward greater human happiness, her trend is upward. If contrariwise it is downward, and she is in this regard degenerating. Let us see now what is to be said upon this subject. Man is the product of natural forces. His states of consciousness have been up-built by these forces acting along evolutionary lines. One of these states of consciousness is pleasure, and another pain. Pleasure is that state which each strives to get into his consciousness and keep there. Pain is that state which each strives to get out of his consciousness and keep out. We have now to inquire how it comes about that all men prefer pleasure to pain. Ourselves the product of evolution, our little egoistic microcosms are only minute replicas of the great external macrocosm. In other words, it is the very forces of evolving Nature which have made us seek pleasure and shun pain, so that we may confidently turn to external Nature knowing that we shall find there an *efficient cause* for this universal preference. Under a régime to which some individuals are adapted and others not — with which some are in accord and some in discord, it necessarily follows that those in accord will persist while those in discord will tend to fail in the life-struggle. This is only another way of



## GILLETTE'S INDUSTRIAL SOLUTION

saying that where some individuals have tendencies which are organising, and others have those which are disorganising, the former will become organised and the latter will become disorganised. If, now, we say that those individuals have persisted throughout the countless centuries whose activities showed at least some surplusage of organising over disorganising tendencies, we have only to add the further consideration that the individual, being the product of these organising tendencies, would of necessity build up a sentient structure in harmony with them, in order to see that mankind is, and must be, evolved in harmony with activities which are organising, and out of harmony with those which are destructive. We have only to consider for a moment what would obtain were the reverse true in order to bring home the point. Suppose man derived pleasure from self-destructive activities. Suppose, for example, a certain portion of the race, in long forgotten centuries, had derived keen enjoyment from cutting off their arms, their legs, plucking out their eyes, severing their heads and generally maltreating themselves, what would have become of them? Would they not simply have dropped out of Nature's economy? Most assuredly they would; and more than this, any such tendencies, in however so slight a degree exhibited, would have constituted handicaps which could not have failed to tell heavily in the long, long race of life.

So far as man is concerned, therefore, the biggest fact of Nature is her insistence, as a price of persistence, upon those organising tendencies which make for human betterment. The mysterious tremors in that marvellous network which we call the nervous system, we know to be of two kinds yielding respectively pleasure and pain. Furthermore, psychology has taught us that those tremors which we sense as painful are actually depleting, death-giving and disorganising, while, contrariwise, those which we call pleasurable are for the most part constructive, life-giving and organising. The few seeming exceptions to this rule are more apparent than real, and do not in the least lessen its force. We see, therefore, that the psychological truth that pleasure is organising and pain disorganising makes a beautifully close joint with the evolutionary statement that organisation is pleasurable and destruction painful.

We have asked above what is meant by the term justice. It is a common practice to define justice as righteousness, but since this is little more than defining it in terms of itself the definition is practically worthless. We should prefer to say, in the case of any individual performing conscious acts, that that régime would be just which secured to him the full natural results of those acts whether good or bad. That such a régime would make toward happiness will readily be seen, since under it each individual would seek to do only those things which brought him pleasurable returns. The grave injustices of our present system are due to the fact that it is easy for the individual to do wrong and then to shift the consequences of that wrong more or less completely upon society, or some portion thereof other than himself.

In considering the question of liberty, and the point at which it runs into licence, we need scarcely more than point out that the dis-



## GILLETTE'S INDUSTRIAL SOLUTION

tion between liberty and licence, is merely a distinction between non-invasive and invasive activities. It is doubtful if liberty can better be defined than by saying that it permits the individual to do as he pleases so that he infringe not the equal right of others. To make this definition perfectly intelligible it is necessary to consider the distinction between invasive and non-invasive acts. The whole subject has been considered so ably by Spencer, Mill and others that it seems unnecessary to discuss its details here.

We have asked above, in considering the *criteria* of conduct; how shall we know whether it is a greater or a lesser happiness, and how shall we discriminate between an intense and confined happiness and one of much lower potential and much wider diffusion? The answer would seem to be this. Inasmuch, as we know that those tendencies which are organising are, in the main, pleasure-giving, we may, within a reasonable margin of error, determine happiness by its constructive result, being naturally suspicious of those seemingly pleasurable excitations which are known to deplete the system. There will naturally be many closely balanced cases in which it will be somewhat difficult to be sure that our judgment is right, but in these we may console ourselves with the fact that that very closeness of balance which makes an absolutely just decision difficult, also prevents an error from entailing very serious results. If we are careful to follow the path of maximum happiness to the best of our ability we shall not go far astray.

In determining between a given amount of happiness concentrated in a limited area and exhibiting high intensity, and an equal amount of low intensity and wide diffusion, it only remains to point out that, other things equal, absolute ethics would invariably declare for the *widest degree of diffusion*. It is manifestly unjust and inequitable that Jones should have three measures of happiness and Smith only one, under conditions which would permit of each having two. In the case of happiness we must hold considerations of diffusion as of greater moment than those of intensity.

It would seem to be self-evident that no system could be right which would be self-destructive. We are subject to certain natural laws and, whether we like them or not, we must conform to them or take the consequences. Since it should be the object of any proposed social régime to produce a maximum of happiness, it must be right and proper for that régime to be so conditioned as to bring about this result. Therefore it happens that society cannot consider merely the *motives* of its units, but must consider only their acts in terms of social results. Inefficiency, though it be well-intentioned even to the point of fanaticism, will not deserve as much from society as a cold-blooded and relatively indifferent efficiency. A properly constituted society, in order to maintain itself and to evolve to better things, must consider as of value only services actually rendered, and must refuse to consider intentions, however well-meant, when unproductive. Were this course not pursued it will be seen at once that inefficiency would soon run riot, since efficiency, though entailing a larger sacrifice, would receive no advantage.

We believe now that we have made it sufficiently clear that a so-

## GILLETTE'S INDUSTRIAL SOLUTION

cial régime is good in just the ratio that it makes toward a maximum of human happiness, and that we have sufficiently defined and illustrated our terms to render clear our thought. Such being the case we may now pass on to a consideration of the fundamental characteristics of an ideal society.





## CHAPTER XXIII

We see that the right of each man to the use of the earth, limited by the like rights of his fellowmen, is immediately deducible from the law of equal freedom. We see that the maintenance of this right necessarily forbids private property in land. On examination all existing titles to such property turn out to be invalid; those founded on reclamation inclusive. It appears that not even an equal apportionment of the earth amongst its inhabitants could generate a legitimate ownership. We find that if pushed to its ultimate consequences a claim to exclusive possession of the soil involves a landowning despotism. We further find that such a claim is constantly denied by the enactments of our legislature. And we find lastly that the theory of co-heirship of all men to the soil is consistent with the highest civilisation; and that however difficult it may be to embody that theory in fact, equity sternly commands it to be done.

*Herbert Spencer.*

The land question means hunger, thirst, nakedness, notice to quit, labour spent in vain, the toil of years seized upon, the breaking up of homes, the miseries, the sicknesses, deaths of parents, children, wives; the despair and wildness which spring up in the hearts of the poor, when legal force, like a sharp harrow, goes over the most sensitive and vital right of mankind. All this is contained in the land question.

*Cardinal Manning.*

Small Boy: — Pa, who owns this land?

Father: — I do my son.

Small Boy: — Where did you get it, Pa?

Father: — Oh, I bought it from a man.

Small Boy: — Where did the man get it, Pa?

Father: — He got it from another man, my son. Run away now and don't ask so many questions.

Small Boy: — Yes, but Pa, where did the first man that owned it get it?

Father: — He got it from God, I suppose.

Small Boy: — Did God give it to him, Pa?

Father: — Yes.

Small Boy: — Why didn't God give everybody a farm, Pa?

Father: — Oh, I don't know, son. Run on now. Your mother wants you.

Small Boy: — Say, Pa, you don't suppose the first man that got this farm stole it from God while he wasn't looking, do you?

*E. N. R.*

Liberation without land has always ended in the increase of the proprietor's arbitrary power.

*Alexander.*

All human beings must sustain some relation to land IN ORDER TO LIVE AT ALL. That much is certain. And the character of the land tenure adopted by a people expresses that relation.

*Lee Francis Lybarger.*

Mr. Brown (in large New York building): "Is this Mr. Jones?"

Mr. Jones: "That is my name."

Mr. Brown (presenting his card): "Mr. Jones, I am a representative of the Blank Bank. We sent out some circular letters soliciting business, and I have called to learn if you received one."

Mr. Jones: "Yes, I have read it over carefully."

Mr. Brown: "Now, Mr. Jones, the Blank Bank makes you a proposition like this: You make deposits in our bank, and we will pay you  $3\frac{1}{2}$  per cent. interest annually, render you a monthly statement of your account, and make it as pleasant and convenient for you to do business through our bank as we possibly can. What do you think of the offer?"

Mr. Jones: "Mr. Brown, I realise that you are trying to make a living and do not wish to discourage you, but you have asked me a direct question, and, if you desire it, I am prepared to give you a direct answer."

Mr. Brown: "I should like to hear your opinion."

Mr. Jones: "Mr. Brown, in effect, your bank is applying to me for a loan. The security you offer is the solvency of your bank and the honesty and efficiency of its officers, re-enforced by the honesty and efficiency of the State Banking Department, which the late Governor Higgins said was so corrupt that he feared to have it investigated, because if he did so it would bring on a financial panic. If I apply to your bank for a loan you will tell me that I must have gilt-edged security and pay 6 per cent. interest. How would I come out of a transaction like that?"

Mr. Brown (gazing intently at Mr. Jones for fully a minute): "Mr. Jones, I have nothing further to say to you, except to express the hope that you will not say to your friends in this building what you have just said to me. If you do, I am out of business so far as they are concerned. Good morning."

*Clarence E. Hauser.*



## CHAPTER XXIII



HAVING defined our terms we may now repeat that an ideal social régime would be one of justice, of liberty and of the maximum happiness possible to its social units at any given time; and, furthermore, that it would constantly evolve toward a more perfect régime, making possible a still greater happiness. For, surely, evolution could not suicide and undo itself by bringing about a condition of stagnation in which further evolution was impossible.

Human happiness is attained by the gratification of human desires, and, in an ideal society, these desires must be gratified with freedom to all and hardship to none. Man tends to gratify his desires with the least possible amount of exertion, but there is a *minimum* below which he cannot in justice go. Should he go below this minimum he is gratifying his desires at the expense of the exertion of another, which is to say by implication, that he is depriving that other of a gratification to which he has a right.

All wealth comes from the earth, and all men have a natural and inalienable right to the use of the earth. They have as good a right to feed from its soil as they have to breathe from its air. To deny any of them this right is to deny them the right to existence. The good things of life, those things which in the main minister to human gratification, are properly called wealth. Money is not wealth. It is only an evidence of it. All wealth comes from the earth in response to labour, and there are only two possible ways by which a man can attain it. First, he may dig it himself, or second, he may take that which his brother has dug, created or conjured forth. There are no other ways by which he can obtain it. If he takes his brother's product with his brother's consent it is like unto alms, and he is like unto a beggar. If he takes it without his brother's consent and against his will he steals it, and he is a thief. The three classes of men, therefore, who secure wealth are the labourers, the beggars or beneficiaries, and the thieves.

Since justice would secure to each man the natural results of his own acts, both good and bad,—and, of course, by implication the natural results of his *inaction*, both good and bad,—it naturally follows that it would prevent him from *securing* any other results; from which it will be seen that, under a perfectly just régime, the only men who would have wealth would be those who produced it. Physical and mental incompetency would be taken care of as the result of an altruism which preferred to temper justice with generosity and mercy. It must not, however, be forgotten that in postulating a morally perfect social régime for the purpose of an ideal standard, we should also postulate one without physical or mental im-

## GILLETTE'S INDUSTRIAL SOLUTION

perfection; so that, in an ideally just society, no recourse would have to be had to anything less than ideal justice. *That such an ideally perfect community is probably not attainable does not in the least decrease its value as a standard toward which we should approach as rapidly and as closely as possible.*

Highly evolved man has a multitude of desires requiring a great variety of wealth for their gratification. This wealth is the result of multifarious activities applied over widely divergent areas. He has found by long experience that he can produce a much larger value of wealth, if he specialises upon one thing or a few things, than if he attempts to distribute his labour over a great variety of commodities. This is the great lesson which social organisation has to teach. By specialising industries and pursuits, the total wealth-output of the race has been enormously increased. If each individual had to produce first-hand everything he consumed, he would be able to gratify but very few of his simpler desires. By applying his labour, however, to the production, say, of one article of wealth, and then exchanging the surplus of that article for other articles which he wishes, he is enabled to gratify a complex retinue of desires with a minimum expenditure of effort. In an ideal society the individual would have free access to the earth, and would produce as much or as little as he chose, and the *total product of his labour* would belong to *him*. More than this; he would be able freely to exchange any portion of his wealth for an exact labour-equivalent in the wealth of his fellows. This would secure to him, in effect, the opportunity of *producing for himself*, at any time, with the *minimum* amount of labour, *any article in the whole circle of exchange*. He may, to all intents and purposes, pick a bunch of bananas in Jamaica in the morning, dig a nugget of gold in Alaska at noon, and make a coil of rope in the Philippines at night. By the magic of free exchange he is given millions of hands plucking wealth from the earth in every clime under the arch of heaven. This sounds like the description of a condition which at present obtains, but the similarity is one of sound, not of reality.

Labour has *not* free access to the earth under our present system. It cannot produce where, when and what it will. It does not receive *anything like* the total product of its labour, and it cannot freely exchange the little it *does* receive without extortion and robbery *at every point of the game*. Robbed first upon the productive end, and then upon the distributive end, by a system rife with injustice, dishonesty, exhausting strife and wasteful friction, the story of labour is anything but a tale of ideal conditions. With that trinity of vampires, rent, interest and competitive waste fastened upon it, the body of labour is in about the condition of a New Zealand sheep with a kea parrot fastened to its back devouring its kidneys and surrounding fat.

In an ideal society there would be no political economists deceiving the people into believing that there is any ultimate source of value other than labour. There would be no vested interests to maintain, and accordingly no schools would be endowed, and no newspapers or magazines subsidised to teach a spurious social science.



## GILLETTE'S INDUSTRIAL SOLUTION

Every man would be able to gratify his desires in just the proportion that he was willing to work. Want, and with it the fear of want, would vanish forever. Since each social unit would enjoy the widest liberty compatible with equality of liberty, it would naturally follow that each man would be free to labour at any pursuit he chose. When labour is congenial work becomes play, and the sweat of toil loses its terrors. If the workers, which is to say, *the whole of the healthy adult portion of society*, did not choose to produce enough of certain commodities to satisfy their desires, it would merely mean that they neglected to do so because of the more peremptory demand of other desires, and they would merely curtail or go without until they wished to create the commodities necessary to the full gratification of those particular desires. Living under a régime of liberty they would do only that which they wanted to do. Since all would have equal opportunity to apply their labour to the earth, and since each would have everything he produced, perfect justice would be done. The inefficient would have all of the smaller amount they could produce. The capable everything they could create. It would be as if the earth were a lake from which every man dipped whatever water he needed to satisfy his thirst. So marvellously enhanced would be man's productive output that even the inefficient would have an abundance both of time and of commodities hitherto undreamed of.

Under such a system the only competition would be between man and Nature, *not* between man and man. The badge of the new era is coöperation. Competition is a struggle, with the intent and for the purpose of bringing about inequality. It is a strife in which some are foredoomed to failure. It could not, therefore, exist under a just system, or in an ideal society. In a perfect social state the ultimate end will be social, not individual. The good sought will be social, not individual, save in a reflex way — the highest good of the individual being found in the greatest good of society. It is nothing short of astonishing that men can be found who will defend competition as a social ameliorant, when, as a matter of fact, it is not a social *anything*, being individualistic in its very essence. The social tendency and the egoistic or individualistic tendency are at opposite poles. They are as irreconcilable as daylight and darkness. If justice is to be done in any community it can be done only by preventing liberty from crossing over into invasive licence. The very essence of competition is invasive. As we have shown at length, the nearest approach it ever makes to justice is when the invasive tendencies of two competitors exactly balance and neutralise each other. Competition, if carried to its maximum imaginable point would destroy all but one social unit, who would be as the one big tarantula, containing all the other tarantulas formerly in the social bottle. The tendency of competition, and its inevitable result, is to *localise* the maximum amount of happiness in *ever decreasing areas*. Thus is its trend ever and always directly away from that justice which seeks to spread happiness equally throughout all social areas.

Since happiness is the one end of life, it must of necessity fol-



## GILLETTE'S INDUSTRIAL SOLUTION

low that if the pleasure which an individual enjoys in his lifetime be less than the pain he suffers, his life is a failure and it would have been better for him had he never been born. Any system which increases population under conditions which make life show more pain than pleasure is, other things equal, unjust and pernicious in just the ratio of this increase. No system properly can lay any claim to beneficence, justice or efficiency, unless at least a majority of those living under it enjoy throughout their lifetime a surplusage of pleasure over pain. Does not the most cursory examination into present conditions convince us that there is more pain than pleasure in the world to-day? If we would determine in our own minds whether or not certain of our experiences had more of pleasure than of pain, we have only honestly to ask ourselves the question; "Would we be glad to repeat them?" He whose life has shown a surplusage of pleasure would certainly be glad to repeat it. There is no better test, therefore, of which we can avail, in seeking to determine whether or not the present régime produces happiness in excess of pain, than that of ascertaining whether a majority of our fellow creatures, in the various walks of life, would be glad to repeat all of their experiences for the sake of the pleasure any of them would yield. An intimate friend of the writer took occasion to ask a very considerable number of individuals over sixty years of age if they would be willing to repeat their lives *in toto*, without receiving a single affirmative reply. We have only to perform the like experiment upon our adult friends to see for ourselves that, in the overwhelming majority of cases (we ourselves have met few exceptions) we shall be informed that a repetition of life experiences is not desired. Let no one think for a moment that this reasoning is negatived by the fact that the overwhelming majority of our fellow beings cling tenaciously to life. They do this in obedience to a fundamental natural law. The instinct of self-preservation is so deeply ingrained in our natures that we often fight death when life has nothing to offer but a continuance of misery.

If, now, the majority of the race are visited with more pain than pleasure, life, as a whole, is a failure under present conditions. Who then has the effrontery to claim that our present régime is good, is divinely ordered, and must not be changed, when it can thus be shown that it would be better for the whole human race to be annihilated forthwith than to continue to live under it. What could be clearer? The object of life being the attainment of happiness and the avoidance of pain, there must, when the balance is struck, be found some uncanceled residuum of happiness, else life is objectless or worse. Under an ideal social régime pain would be reduced to a vanishing quantity, while pleasure would rise to the full level of vital activity. Since pleasure results from the gratification of desires; and since, in an ideal order of things, each would be free to gratify his desires to the full extent of his willingness to labour; and since production would be so marvellously increased that two or three hours a day would be more than sufficient to provide lavishly, not only for those fundamental hungers which cause the keenest pain if unsatisfied, but also for those racially more recent

## GILLETTE'S INDUSTRIAL SOLUTION

tastes, sentiments and desires, which are the distinguishing marks of higher civilisation, it naturally follows that, under an ideal régime, pleasure would reach its maximum.

As conditions are now, under our much lauded competitive system, pleasure is not only reduced to a very low point on the productive end of society, but is also similarly reduced on the consumptive end. Those of our fellow beings who are what we call *wealthy*, are caught in a mesh of their own weaving. The fierce competitive struggle which has piled wealth around them has deprived them of the time to enjoyably consume it. As a people we swallow life so fast we cannot taste it. Our millionaires have, as it were, stored their larders with the choicest viands of wealth, but, in the doing of it, they have lost their palates and ruined their powers of assimilation. They spend their money in such riotous fashion that it makes one think them crazy, and shows only too clearly that they have lost the power of healthful, normal enjoyment. Like men who punctuate their ordinary language with blasphemous oaths and have to invent still stronger ones for their emphatic passages until they find themselves cut off both from *normal language* and from *effective expletives*, so these so-called favourites of fortune are deprived of the gratification which comes from the satisfaction of a normal appetite, on the one hand, while on the other, they are forced to content themselves with the questionable glory of striving, in each new case, to break some previous record. With their poorer brother the story is scarcely better. Supplied with very inadequate means for the gratification of his desires, the securing even of these leaves him too little time properly to enjoy them. Wealth is produced in order that it may be consumed. If it cannot be consumed it is mere dross so far as utility is concerned. Better is it to create a dollar's worth of wealth a week, and be able to consume it in a way to get the maximum of pleasure from it, than to create a thousand dollars' worth in the same time and be able to consume but fifty cents' worth of it.

As a nation we have run so mad over production that we are unable to get anything like the proper pleasure from consumption. We are like a man who spends so much of his time collecting books that he is never able to look into one; or the miser whose greed for acquiring money leaves him no moment in which to spend it. The world to-day is living on futures, until he who enjoys as he goes is a very rare exception. Men past middle life will often confess that they intend to have pictures, books and other aids to cultured happiness, *when the proper time comes*. And so they go on, until death grips them, chasing a rainbow of happiness which they never reach. The pity of it all is that men will not do *fundamental thinking*. All our feelings, whether pleasurable or painful, are the result of certain changes in our nervous structure. For us to feel a certain sensation we must use up a definite amount of the matter of a definite number of nerve corpuscles. As these corpuscles become more and more depleted our sensation waxes weaker, until finally it disappears with the exhaustion of these corpuscular areas. Before we can again experience the same sensation, these areas must



## GILLETTE'S INDUSTRIAL SOLUTION

be re-nourished, and this takes a certain definite increment of time. It is clear, therefore, that the amount of pleasure or of pain which any individual can feel at a given time is fixed and definite. How, then, are we to get the maximum pleasurable output from our nervous mechanism? We have seen that it is a natural law that if an area be overused and depleted the result is a condition of greater or lesser insentieny. If our nervous mechanism is to yield us a maximum of happiness, it follows that we must shift from one corpuscular area to another before anything approaching exhaustion has taken place. The rich idlers who suffer *ennui*, and the over-worked poor whose burden is an ever-augmenting fatigue, are both victims of the scientific law to which we allude. Thus are we able to explain that mad striving after novelty which is so common among our conspicuous wasters of wealth. They are simply searching for some sort of sensation which will find corpuscular nerve areas not already depleted by continuous drafts upon them,—in short, they are seeking some orange in the human crate of emotions which they have not already sucked dry. A horse will travel farther and easier over a rolling country than upon a steady up-grade, down-grade or dead level, and the explanation of this fact explains why toilers instinctively seek a variety in their work—a variety secured either by dissimilarity of productive operations, or by intervals of rest. Set a human being to feeding a machine which rapidly and continually repeats the same operation, and dire physical and nervous results are likely to follow. This brings us anew to a consideration of how best to secure, in view of the natural law here stated, the maximum output of pleasure from the nervous mechanisms constituting any society. As we have seen, no long-continued draft must be made upon the same nerve areas of any individual. A moment's thought will convince any one that there is but one safe way by which this may be avoided, and that is to allow each individual the greatest possible liberty of action compatible with equality of liberty. If undue pressure be not brought to bear upon the social atom, he will naturally tend to such variety of activities as will safeguard the overworking of given nerve areas. If it be urged that the rich are free; that they are not coerced; and that they suffer that *ennui* which results from depletion of certain nerve areas,—in short, from satiety, the answer is that, in the first place, they are *not* free; in the second place, they do not live under an equitable régime; while, in the third place, present conditions are the opposite of the ideal.

Public opinion is more cogent than any law which can be enacted, and public opinion, among the affluent as a class, condemns them to the ranks of conspicuous consumers who produce little or nothing. That such public opinion deserves and receives the contempt of all capable thinkers, does not alter the fact that it is a dominating influence among those who, as a class, are neither capable nor thinkers. Thus it is that a wealth-bedizened Mother Grundy deprives the affluent of the toil which gives rest its sweetness; of the shadow, if you please, which gives the light its value. Were our system an equitable one, none could consume more than he produced, and



## GILLETTE'S INDUSTRIAL SOLUTION

he would naturally alternate his periods of production and consumption. This would give a wide variety to the nerve areas affected, and would tend to keep sentience at, or near, its point of maximum output. That our present régime is *not* an ideal one has been shown again and again in this and preceding chapters, as well as in the previous volume of this work.

Under a properly constituted social régime there would be no such things as profit and interest as we know them. It is a self-evident truth that no system can be ideal which is not just; that no system can be just which is not equitable; and that no system can be equitable which cannot extend its amenities to *all those living under it*. A perfectly ideal system presupposes ideal components, and in such a system "profits" are unthinkable. The correlative of *profit* is *loss*, and it is inevitable that in any system there will be as many losses as there are profits, which is to say that equity cannot coexist with what we dominate "profits"; and it needs further but to mention that a profit-régime which, *even in imagination* cannot be extended to include *all* the members of a society, is inequitable, illogical and iniquitous. The present strife for foreign markets is a struggle to extend the *realm of loss beyond our own natural neighbourhood*.

If we serve our own parents we usually do not charge more than the actual cost of the service, even where we make any charge at all. *The vampire of profit enters the scheme somewhere in the vicinity of uncles and cousins*. Usually, at all events, on the thither side of our immediate family.

Rent, under an ideal system, would be eliminated because, being a payment for use of land exclusive of improvements upon it, it is a payment for that to which no individual has a more inalienable right than any other.

Interest would play no part in an ideal society, for the reason that in *practice* it is little more than a reflexion of *rent*, while in *theory* it is but a scheme for the more or less perfect enslavement of labour. The advent of a perfect system waits only upon the full development of the social sense in man. When all men are as anxious to give at least as great a value as they receive, as most men are now anxious to receive a greater value than they give, the millennial sun will have risen. Then will justice between *men* not only be done, but the enlightened and quickened social sense will reach *downward even unto animals*, and we shall scorn to profit by *their* labour without returning to them a just equivalent.

The new social unit will be self-centered and philosophical in the highest sense, and like all true philosophers, his paramount aim will be so to order his acts as to increase his own self-respect. His criterion will not be, as now, what will my neighbour or the public think of me, but rather, what shall I think of myself? This latter is a verdict which has an overwhelming advantage in being unescapable. Thus will it happen that he will scorn to crucify his self-respect by receiving anything for which he has not given a fair equivalent, realising, as he will, that such a course would constitute him a social thief, since, for him to get what he does not earn, is for somebody

## GILLETTE'S INDUSTRIAL SOLUTION

else to lose what he *does* earn. Such terms as *profit*, and the like unctious palliatives, will not deceive him then.

In his "The Politics of Utility," James Mackaye gives the following description of a just social system, and appends to it certain remarks pertaining to competition which we think it well to quote. He says:

"(1) A just system aims to improve the quality of human beings. Competition tends to deteriorate it.

"(2) A just system seeks a high degree of adjustability and health. Competition secures a low degree.

"(3) A just system conserves natural resources until a high efficiency of consumption is developed.

Competition dissipates natural resources, at the same time maintaining a low efficiency of consumption.

"(4) A just system substitutes machinery for men in production, simultaneously increasing the indicative ratio.

Competition displaces men with machinery, without simultaneously increasing the indicative ratio.

"(5) A just system stimulates a high degree of skill and interest in labour.

Competition stimulates a low degree of skill and interest in all save directive labour.

"(6) A just system seeks equality in distribution of wealth and leisure.

Competition secures inequality in both.

"(7) A just system seeks to so adjust the indicative ratio as to secure maximum efficiency per capita, by making it a direct function of productive power, productive intensity, and consumptive power.

Competition tends only to make it an inverse function of endurance and diminish it indefinitely.

"(8) A just system seeks to adjust a population to its means of happiness so as to maintain it at the point of beneficent equilibrium.

Competition adjusts population only to its means of subsistence, leading to natural equilibrium.

"Competition then has not a single good point. On every vital issue it is opposed to a just system. It deteriorates the quality of the population, it destroys the efficiency of consumption, and even such good effect as it has on the efficiency of production is thereby turned into an evil which is only made more terrible by its effect in indefinitely increasing the population. In other words, the system of competition is to-day but a more efficient form of what it always has been — a mechanism for maintaining and continually increasing an output of unhappiness. Perfected by science, this mechanism if its use be persisted in, will cause the earth eventually to become a very hell in which the sensitive organisation of human beings is utilised in the highly successful manufacture of misery. There is no more dismal delusion than that of the beneficence of competition. It is a political myth as gross as, and vastly more harmful than, the myths of ancient and modern mythology, and by coming generations it will be placed in the same category. It remains to be seen whether common sense can, with sufficient promptness and com-



## GILLETTE'S INDUSTRIAL SOLUTION

pleteness, triumph over custom to destroy this delusion and the system founded upon it, and substitute therefor an applied science whose object is the manufacture of happiness. The signs of the times give reason to believe that such a triumph is coming soon, and in the following chapter we shall attempt to point out the course of events by which this 'consummation devoutly to be wished' is to be attained."

It has been said upon more than one occasion that if men would follow the Golden Rule the social problem would solve itself. To this we may reply in the language of a recent writer: "But it is equally true and equally pertinent that if human beings could live on a diet of stones it would solve the problem of feeding the poor. If men would apply the Golden Rule, most problems which plague humanity would be solved. The question is: how are you to induce them to apply it? Certainly not by simply telling them to do so. Had that method been effectual the end would have been accomplished long ago."

If men would follow the Golden Rule the interests of generations yet to come, which are out of all comparison of weightier consequence than those of any *single* generation, would be safeguarded with the utmost care. We should not indulge in the apparently pleasant but certainly expensive pastime of shooting costly projectiles into our fellow man, while, through the issuance of bonds we charge the bill up to generations now unborn.

An ideal social condition will be one of perfect coöperation in all its activities. The social conscience will have for its end the social good. *Self-interest* will broaden into *society-interest*, recognising that as the particular brand of interest which will yield the highest return in individual happiness. Since competition cannot coexist with justice, and since it is invariably individualistic and never social in its ends sought, we may be sure that it will be conspicuous by its absence. It undoubtedly is true that man requires a whetstone for his energies, as well as for his wits, but it is *not* true that this must be made of *human flesh*, as the advocates of competition are pleased to assume. A thousand-horse-power engine may be used to burst a soap-bubble, but it can apply no more power to the bubble than that with which the bubble resists it. So man is powerless to use the forces within him except upon things which afford resistance. Fully recognising all this, we ask by what right the advocates of competition assert that man must strive against his brother in order to gain strength? May not the athlete use wooden Indian clubs and metal dumb-bells as well as human flesh to build up his strength? And may not man, under a proper régime, quicken and strengthen all his faculties by using them against the resistant forces of non-human nature? Are we not constantly developing our muscles by resisting gravitation, and have we not as great an intellectual conquest as could possibly fall to human lot in wresting from Nature her deeply hidden secrets? The greatest conceivable moral conquest will be ours, when we shall have learned how justice balances the pans of her scales. We shall lose nothing, we shall gain everything, by engaging in the only battle for moral, mental and physical uplift-



## GILLETTE'S INDUSTRIAL SOLUTION

ment, in which it is possible for *all men* to join as *allies*, and from which *all men* may emerge as victors. The noblest struggle ever waged, the most productive in human happiness and upliftment, will be this unimpeded struggle of the whole human race as one brotherhood, against the forces of Nature.

In considering thus some of the hall-marks of an ideal society, we have made no attempt to go into the details of political organisation. We have considered principles of far greater importance.

There are a great many who consider themselves far-seeing, who are yet quite needlessly alarmed at anything which shows extended coöperation. Such a régime savors to them of *socialism*, and they have been taught to think of socialism as a thing which they may know to be a *dreadful menace* without taking the trouble to understand its principles in the least. The fact that many of our governmental activities which are most efficiently performed are already entirely socialistic, does not seem to convey to them any lesson which they can learn. Not for a moment would they seriously advocate turning the public school system, the United States mails, the agricultural department, the geodetic survey, the lighthouse or life-saving service, into private hands, yet they view with fear and trembling any suggestion similarly to treat railroads, telegraphs and the like. Were some one to propose the establishment of toll-roads in New England he would earn only their contempt and ridicule,—just such a contempt and ridicule as they now visit upon any one who suggests the abolition of privately owned toll steam-roads. Though there is not the slightest social difference in kind between a steel-highway and a gravel-highway, they find themselves unable to bridge the imaginary gap which they think so widely separates them. These advocates of the present régime are wont to assert that it costs the government more to perform a given function than it does for private individuals to do the same thing, and in this contention they make a much better showing than is their custom. Is it true, then, that an ideal régime, which is to say a non-competitive régime, is one of manifest labour inefficiency? Is it a fact that the moment public interest is substituted for private interest the product will inevitably cost more? Let us examine this matter a little more closely. The whole difficulty, the seeming anomaly, is all in the definition of a single term. What do we mean by the term *cost*? The whole trend of modern commercialism has been to define cost in terms of dollars and cents. Ask any one what it costs to produce a given commodity and it will never occur to him to consider the question from any other than a monetary standpoint. Yet, as we have repeatedly shown, all values, in their last analysis, are labour-values. The real cost of the thing, therefore, is only truly measured by the units of labour required for its production. Brown hires Jones to chop a cord of wood and Jones works at five hours, at a wage of twenty cents an hour, while at the same time Smith hires Adams to do an exactly similar task at a wage of ten cents an hour, and the task requires eight hours, we find that Brown's wood costs in money one dollar a cord and in labour five hours of work, while Smith's cord of wood costs him but eighty cents

## GILLETTE'S INDUSTRIAL SOLUTION

in money and eight hours in work. In comparing the two cases we see that Brown's wood is the most expensive in money and the cheapest in labour, while Smith's wood is the cheapest in money and the most expensive in labour. It is of paramount importance, therefore, that we be not deceived in this matter by the tricks of commercialism. It is true that it generally costs the government more, *in terms of money*, to do a given task than it costs private individuals, but it is *not* true that it costs the government more *in terms of labour*. Quite the reverse is ordinarily the case. The better organisation, the fuller coöperation of government, as well as its wider resources, unlimited capital and greater prestige, to which must be added the securing of a higher class of labour, through that very increase of money-cost which is the bugaboo of commercialism,—all make for an increased labour efficiency. That the development of the arts, the constantly increasing skill of productive labour, can only justly be measured in terms of the effort necessary to a given product, and that it cannot be determined in terms of a money unit which does not bear a fixed ratio to labour efficiency, goes without saying. The reason it frequently costs a government more to perform given productive acts than it would cost private individuals to perform similar acts, is chiefly due to the fact that a government normally pays a higher wage to its workers and works them fewer hours and under less pressure, with the result that it usually has a higher class of labourers and turns out a better product.

Any one who is familiar with the labouring man knows that he is more efficient per unit of time when properly paid, well-nourished, contented, interested and not overworked. It will be seen, therefore, that government gets its work done at a *less* cost than private individuals, if we use the term *cost* in its *proper sociological sense*. Under an ideal régime, therefore, where all coöperated in harmony and justice, it is evident that no cost would be considered save the cost of effort. Money would measure values only in so far as it truthfully measured effort.

Under a properly constituted, non-competitive régime, wherein the common good, rather than selfish interests, was the end sought by each, present corrupt conditions would no longer maintain. Professor Parsons of Boston University thus briefly states the case: "Causes and conditions of corruption are mainly (1), private monopoly; (2), political influence in appointment, and (3); secrecy.

"Private ownership of public utilities leaves all three causes in full bloom and feeds their roots.

"Public ownership eliminates two of the causes — private monopoly and secrecy — and if established under reasonable civil service regulations it eliminates the other cause also."

Apropos of this same subject James Mackaye says in his "The Politics of Utility," in comparing capitalism and socialism: "Government in America is certainly corrupt, and if corruption is confined to the operations of the government this is a serious criticism. General corruption would not only cause general demoralisation of character, but it would impair the efficiency of production everywhere. It is, however, generally acknowledged that the demoralised



## GILLETTE'S INDUSTRIAL SOLUTION

condition of the government is due to the influence of capitalism. The transfer of the debased business standards of morality fostered by the competitive system into politics brings politics down to the level of business. In fact, in our country, politics is a kind of business and is pursued for profit. The control of legislative bodies and other departments of government by great business interests is notorious. This is the source of all the grand corruption to be found in the government, and this socialism would abolish by the destruction of capitalism. As to petty corruption, that is fully as prevalent in great corporations as it is in the government service. Rebates, commissions, rake-offs, and jobs of every description, are so common in business transactions as not to cause comment; and when we consider the gigantic operations of 'frenzied finance,' speculation, stock watering, cornering, corporation-wrecking, fraudulent bankruptcy, embezzlement, and every form of stock-jobbery, the petty stealings of subordinate government officials which occasionally occur, sink into insignificance. In the abolition of capitalism, socialism would abolish thousands of times the corruption it would cause."

There is but one product which is of paramount importance to every society — a product which must take precedence over anything and everything else, and that product is happiness. Whatever increases the amount of justly distributed happiness is good. Whatever more justly distributes existing happiness is good. Whatever decreases the amount of justly distributed happiness is bad. Whatever increases the injustice in the distribution of existing happiness is bad. Whatever decreases the sum total of happiness, leaving the ratio of distribution untouched, is bad and to be reprobated. If we imagine society as but a larger human organism, we shall see that an ideal condition will look to the good of the organism as a whole and to perfect justice in the balance of its parts. That the ideal society, with every member working to an harmonious end, would produce results in science, art, literature and in human character, which could never be approached under our present régime of competitive discord and strife, where each is pulling at cross purposes with the other, goes without saying. Improvements impossible in our present state of competitive chaos would be the natural order under a system where want and the fear of want were banished forever, leaving the nobler human sentiments in the ascendent. To-day the dragon of fear rests an immovable incubus upon the better elements of human character. To slay this monster is, of all tasks, *the great task*.

In summing up, then, let us say that the most essential attributes of an ideal régime are justice, including the widest liberty compatible with equality of liberty; equality of opportunity,—the right of each to have access to the earth, to own his total product and to transmute it upon the exact basis of its labour-value into any commodity in the whole circle of exchange. This is to say that an ideal régime would secure to each social unit the right to gratify all his proper, non-invasive desires with the minimum amount of exertion and the maximum amount of pleasure.

We submit, therefore, that any proposed régime is good, and should



## GILLETTE'S INDUSTRIAL SOLUTION

be acceptable, in just the ratio that it approaches the hypothetical ideal social state. Societies cannot stand still any more than individuals can. They must either evolve or degenerate. If they do not improve in adjustment to natural forces they must do the reverse — must degenerate — and in the end, if the process continues, become obliterated. We cannot alter this great natural law. Our present defiance of it is costing the world untold misery. Either we must adjust ourselves to it or take the consequences, and the consequences are sin and misery, death and destruction. Let us make our choice and make it quickly.

## **CHAPTER XXIV.**

Religion has not showed us the *naturalness* of altruism. It has taught that it was natural for man to be selfish, and that to be unselfish was a continual struggle, needing the grace of God to attain it. When we learn at last that the social instincts are as natural as the personal, that they are evolved under the same biological laws, that our failure to manifest them in due proportion is due to unnecessary social conditions quite within our power to change—the burden on man's conscience will be lifted forever.

*Charlotte Perkins Gilman — Human Work.*

The new church will be founded on moral science. Poets, artists, musicians, philosophers, will be its prophet teachers. The noblest literature of the world will be its bible. Love and labour, its holy sacraments. Truth its supreme being—and instead of worshipping one saviour, it will gladly build an altar in the heart for every one who has suffered for humanity.

*Ralph, Waldo Emerson.*

Mr. John C. Havemeyer was engaged in the great sugar business of his family before the formation of the sugar trust, but at that time he abandoned it. He gives his reasons in these words: "When the sugar manufacturers combined together to form a trust, I could not see that my way was clear to live a Christian life and at the same time to rob the poor by raising the price of their coffee sweetening."

*Ernest Crosby.*

We are endeavouring to separate intellect and manual labour; we want one man to be always thinking and another to be always working, and we call one a gentleman, and the other an operative; whereas the workman ought often to be thinking, and the thinker often to be working, and both should be gentlemen in the best sense. As it is, we make both ungentle, the one envying, the other despising his brother; and the mass of society is made up of morbid thinkers and miserable workers.

*John Ruskin.*

To carry the feelings of childhood into powers of manhood, to combine the child's sense of wonder and novelty with the appearances which every day for years has rendered familiar, this is the character and privilege of genius, and one of the marks which distinguish it from talent.

*Coleridge.*



## CHAPTER XXIV



IN the foregoing chapters we have aimed to put before the reader a description of the process by which present conditions came about. We have also sought to show, as far as possible, the underlying causes of the conditions which we found to exist. Before passing on to a consideration of the system which Mr. Gillette has invented for the purpose of ameliorating present social conditions, it seems fitting that we make still surer of our intellectual grasp of the existing régime by a brief resumé of the preceding chapters.

Starting with the postulate that sociology has to deal with human beings, the ground was taken that these human beings were the evolved products of past environment and experiences. It was shown that Nature is governed by law, and that all the events which have ever occurred form an orderly progression, the factors of which sustain a cause-and-effect relation to each other. Arriving thus at a conception that all human personality is but the product of man multiplied into his environment, it was made clear that if we are to determine what man is we must consider his environment, in short, if we are thoroughly to know him as he is to-day, we must seek to know him as he was in those long prehistoric yesterdays which he spent in labouriously climbing the trunk of the genealogical tree.

The reader is frankly told that the doctrine of evolution is accepted, for the reason that it is luminous with instruction, while all other theories known to us offer no light whatsoever.

Briefly mentioning certain theories which have been held regarding the cosmos, the reader is introduced to the nebular hypothesis, simply because that theory possesses a probability so great that no other is able to compare with it. It is shown that, in accordance with this theory, millions of years probably elapsed between the solidification of the earth's surface and the simplest forms of life. The earliest life-forms being even more dependent upon water than the human race, it is clear that they could not have come into existence until the earth's temperature had fallen to a point below that at which water becomes steam.

The five great divisions into which Prof. Haeckel divides the history of the organic earth are adverted to, for the purpose of logically leading up to those simplest organisms which were the primordial ancestors of every form of life which has ever existed.

After calling attention to the common misconception that evolution asserts that all forms of life invariably march in an upward direction, and the companion error which assumes that any lower form of life might, in due time, evolve into any higher form, the

## GILLETTE'S INDUSTRIAL SOLUTION

reader is given a brief description of the main divisions of the biological tree.

The likeness of primitive man morally and mentally, as well as physically, to his brute ancestors is dealt with, for the purpose of showing his true relatedness to the great natural order.

The point that Nature exhibits no sharp lines of demarcation is emphasised, for the purpose of showing that human beings do not possess a monopoly of the so-called human emotions.

The reader is then asked to consider the fact that, just as there is a physical biological tree, exhibiting the evolution of various life-forms, so also is there a psychical biological tree showing the upward trend of emotion, intellect and will—a tree of psychic life, as it were. This tree,—the roots of which rest in *excitability* on the level with protoplasmic organisms, and the topmost branches of which reach *reflexion* and *self-conscious thought* on the human plane,—marks in its intermediate portions the upward struggle of psychic life. Romanes is instanced as authority for the assertion that choice is found in its simplest manifestations as low down as the insectivorous plants, and authorities are quoted to substantiate the important contention that there is a coördination between physical and mental fitness,—the one presupposing the other. The ability on the part of low life-forms to distinguish between the “me” and “not me,” and the later ability to divide the “not me” into that which can be assimilated and that which cannot, is shown to evolve, through countless modifications, into those activities by which various life-forms, including man, compass pleasure and avoid pain. The necessity for these activities, the fact that any other régime would be suicidal, is shown at some length.

From all this is traced the postulate that the end and object of life not only is, but that it ought to be, the securing of the maximum degree of pleasure. This postulate is shown to contain the further predication that all men tend to gratify the maximum number of their desires, which, as is made clear, is but another way of saying that all men tend to gratify their desires with the minimum amount of exertion. In these dicta is embedded the efficiency of the human race, and it is thus shown that the whole régime of Nature makes for efficiency, with pleasure as its ultimate result.

The nature of pleasure is taken into account and the guess is hazarded that pleasurable nervous impulses are rhythmic, harmonious and organising, while painful ones are unrhythmical, inharmonious and disorganising,—in short, that pain and pleasure are a sort of neural noise and music, and that this pain and pleasure undergoes an evolution which keeps step with the evolution of the psychic life. The fact that psychic pleasures which entail more or less physical pain are still known to be organising, while physical pleasures which hurt the psychic sensibilities can be shown to be disorganising, is pointed out as one of the grandest promises which Nature makes to man, since in this way she shows him that her whole trend is toward moral regeneration.

In chapter V we give the biological formula which determines man's place in Nature, and we attempt to show how natural—how



## GILLETTE'S INDUSTRIAL SOLUTION

inevitable in fact — it is that each man should be dyed, like a human skein, with all the colours, shades and tints of those life-forms which preceded him. Considering closely his evolution we are able to form a conception,—which has great probability of being a true one,—of primordial man as he existed many, many thousands of years ago. The knowledge that the child repeats the history of the race both prenatally and postnatally; the study of the emotions, passions and intelligence of animals; and the observation of the alienist that those characteristics latest of acquirement are the first to be eradicated when the brain breaks down, all tend to assist us in determining what manner of creature this primordial savage was. Thus are we enabled not only to place our earliest ancestors upon a psychic and physical plane in all probability very close to that they actually occupied, but we also are able, by virtue of these and other considerations, to see that all sentient life has certain things in common with all other sentient life, in that it is all dominated by one universally absorbing motive, the pursuit of happiness. This is but another way of saying that all life-forms seek their own preservation and that of their species by a law as primordial as any to be found in evolution. Always must the fittest tend to survive, and ever as time goes on, will the fittest approach nearer and nearer to the best.

In this connexion it was shown that perfect happiness presupposes perfect interaction between the individual and his environment. The work of evolution is to secure this harmony between the microcosm and the macrocosm and, since this is Nature's trend, it must follow that truth and good are but consistency with Nature at her best, while evil and falsehood are but discord in process of obliteration.

After making it clear that the theory of evolution showed happiness to be the ultimate end of existence, it was pointed out that those who did not accept this doctrine were obliged, by whatever doctrine they did accept, to come to the same conclusion, to wit, that the end of life is, and ought to be, the attainment of happiness. Care was taken to prevent the reader from confusing happiness with mere pleasure seeking and a discrimination was made between activities which were selfial and those which were merely selfish.

Later it was pointed out that besides the consideration of the total amount of happiness resulting from any régime, there were two other vital factors viz., its quality and its distribution, leaving the whole matter of happiness subject to three divisions which might be headed respectively *quantity*, *quality* and *equality*.

Considering next the methods by which men pursue happiness, it was pointed out that the object sought varies not only as personality varies, but that it also changes as environment changes. In attempting to establish, as nearly as possible, both the personality and the environment of our primordial ancestry, recourse was had to our knowledge of man's more immediate progenitors,—to that domain of science which comprehends child psychology and to other data bearing upon the subject. This was supplemented by an *a priori* consideration of the subject. Add to this the consideration of the lowest human beings to be found and we are furnished with a picture which, while it may not be true in its every minute line,



## GILLETTE'S INDUSTRIAL SOLUTION

can hardly fail to be accurate in its broad masses and in its *ensemble*.

It is pointed out that primitive man had two dominating appetites, the food-appetite and the sex-appetite, the latter being only second to the former in importance and strength. Out of these appetites came most of those sentiments, passions and activities which distinguish modern civilisation. Our religion and our loves, as well as our art, are traceable to the same source. Because man's personality and his environment constitute the two great factors of all social questions, it was thought necessary to show the genesis of primitive man and roughly to indicate his intellectual and emotional status. The present is but the sum of all the past. The individual is but the rounded total of his history, and if we would know how, and when, and why, the race made certain grave mistakes we must consult this history of primordial man.

It was carefully pointed out in the foregoing pages that primordial man was not a social being; that he was entirely self-centered and egoistic; and that the presence of a fellow savage, while it afforded him no advantage, constituted, on the contrary, a grave menace to his well-being. His psychical nature was such that nothing akin to coöperation could possibly have existed. The propagation of his species most likely entailed upon him his first sacrifices in the way of altruism. The conception of ownership he probably acquired as a heritage from his brute ancestry, but with it there came no moral qualms as to violating its rights. It doubtless took thousands of years to perceive that honesty was the best policy, and to build up, in a utilitarian fashion, a primitive ethical code which we to-day, in many respects, have not outgrown.

The reader is shown that competition, which is defined as the striving of two or more persons for one and the same thing, must have been the primordial condition. The term is defined and illustrated in order to show that competition, as we know it, is not in practical evidence under conditions of justice, on the one hand, and that on the other hand, it must have been the dominating factor in the primitive life of man.

Against the frequently expressed belief that primitive man was a social being, it is pointed out that but few men in this present 20th century have the social sense developed to any very considerable degree. The fact, observable upon every hand, that men are all but totally indifferent to injustice which does not personally affect them, coupled with the fact that almost everywhere upon the face of the earth women are governed without representation, is sufficient to prove the charge that the social sense is still woefully lacking.

It is pointed out how the supremacy of certain primordial savages led to the conquest of weaker savages, and finally to the massing of population to an extent sufficient to permit of a social beginning. Thus we are made to see how war-like activities, by forcing together savages whose natural tendency was centrifugal, initiated a trend of affairs which, ever growing by renewed conquests, made possible a social growth to which we owe all we now know of society. War and competition are but two phases of the same thing, which brings us to a realisation that our present social system is the result of warlike

## GILLETTE'S INDUSTRIAL SOLUTION

and competitive brutality which had originally no spark of pity or of saving grace.

Since Nature tends to stop out all those who do not adjust themselves to their environment, it follows that a warlike and competitive régime would place an all-sufficient handicap upon any who might happen to be gentle, sympathetic and compassionate. Thus are we able to see that the life of primitive savagery must have been one of constant strife and bloodshed; and we are further shown that Nature's trend has been undergoing an encouraging betterment by virtue of the fact that the race has been steadily growing, with only temporary exceptions, less warlike, more peace loving; less competitive, more coöperative; less brutal, more compassionate. The sacrifices necessary to racial propagation were Nature's primary instructions in altruism.

Occasion was taken to point out that despite that school of philosophy which looks askance at any régime which proposes to curtail individualism, the fact remains that individualism attained its maximum strength of expression among the lowest savages constituting our primordial ancestry. It did then, does now, and so far as we can see always will, lead straight to strife. It is the very badge of war and bloodshed. In the primitive jungle this individualism voiced itself with clubs, overt theft and brutal treachery, while with us to-day it speaks with Krupp guns, commercial higgling, protective tariffs with their kindred forms of special privilege, and other unhallowed forms of strife which are the hall-marks of that dual Gehenna known as *war* and *competition*. This, as has been pointed out, is not to say that all forms and all degrees of individualism are of necessity bad. It is only to say, to quote from a previous chapter . . . "that while individualism is found in its most intense forms where man is at his lowest moral ebb, and tends ever to weaken as man's moral nature develops, the social sense is only found in its highest degree among the saviours of the human race, is not found in any considerable degree save where man's moral nature is highly developed, and exhibits scarcely a recognisable trace in that primitive savagery which furnishes the most perfect instance attainable of unalloyed individualism." The point we sought to make clear is that the *social* ideal is a later racial development, and is infinitely grander and more noble than the *individualistic* ideal, sustaining to it the same relation that a noble altruism sustains to a petty selfishness. He who covets an individual régime, in which wide social differences must inevitably exist, tacks his preference on to inequality, and in so doing exhibits a plentiful lack of those virtues comprehended in the term "social sense."

In order to bring before the reader still more forcibly the effect of competitive individualism, the analogy between the body social and the body corporeal was briefly adverted to, and the effects which would follow a competitive régime within the confines of the body corporeal were called to mind. It was shown that in the body corporeal the *social* needs of the organism *as a whole*, must take precedence over the *individualistic* desires of *any* of its *parts*.

Returning to primitive man who was cannibalistic, the reader is



## GILLETTE'S INDUSTRIAL SOLUTION

told how slavery grew out of cannibalism, as well as how the belief in a future existence and a dual nature, came from the dream experiences of unreasoning savagery. The popular idea that primitive man was a natural trader; that barter was an institution to which he adapted himself as spontaneously as to the conditions of climate surrounding him, is controverted, and it is shown that this institution grew out of propitiatory gifts. The conditions necessarily antecedent to barter are shown to be such as could not possibly have existed in primitive times. The inconvenience of barter is exhibited and the method illustrated by which the race evolved a better mechanism for exchanges. The manner in which a universally desired medium of exchange grew out of constant attempts on the part of each individual to purchase what he desired by offering in exchange therefor the most generally wanted commodity he could command, is emphasised, as a point of considerable importance.

The forms which this commodity known as *money* have taken in various times and localities are given at some length. No pains are spared to show that money is as much a commodity as wheat or potatoes. That he who sells potatoes buys money with potatoes just as much as the other side of the transaction buys potatoes with money. Further, the point is made that man does not consume money *per se*, but rather those things which money buys, so that the ultimate he holds in view consciously or unconsciously is not the money itself, but the thing it will procure. The folly of attempting to make this ticket-like evidence of wealth of intrinsic value is adverted to and illustrated by an analogous case.

The reader is shown to what illogical passes the political and banking fraternities are reduced in their attempts to bolster up our ridiculous financial system. The justice of the multiple standard is shown, and history is called upon in answer to the spurious reasoning of the modern financier. The utter uselessness of money under conditions where it cannot be exchanged for any useful commodity, and the fact that its value is merely as a labour-saving invention are sufficiently brought home.

In chapter XII the reader is introduced to a most significant, though frequently overlooked thought, to wit; the widely different results which follow increase of population under varying social conditions. A tendency on the part of population to press upon subsistence under competitive conditions would constitute a vastly graver menace than would the same tendency for the race to multiply under conditions of perfect coöperation. Other things equal, under a competitive régime, an increase of population sharpens competition in an *ever accelerating ratio*. Other things equal, under an ideal co-operative régime an increase of population would tend to *increase efficiency* until a point, never likely to be reached, had been crossed.

The advantages which the primitive savage derived from competition are shown to have been applicable only to a savage state and to have become *disadvantages* as soon as altruism began to make itself felt. The essential attributes of what we call competition are shown to be strife and fear — a struggle to secure the coveted object and the fear that without the struggle the object will not be attained.



## GILLETTE'S INDUSTRIAL SOLUTION

The difference in the views of Socialism and the Single Tax regarding competition is shown to be little more than one of definition.

The argument is put forth that, while monopoly may wipe out competition as a *name*, it only enhances its baneful results, not wiping out the thing *itself*, but merely wiping out the *fighting chance of the competitor*,—in short, that monopoly tends ever to accentuate the essential ills of competition so long as there is a competitor alive to suffer. In this, and other ways, is competition made to reduce itself to an absurdity which becomes glaring in the face of the fact that equity is only reached through an equally balanced and annihilatory competition. The reader is shown that competition has nothing whatever ideal about it. *That it sustains the same relation to a proper social régime that war sustains to a proper ethical régime*; that, like war, it was a transitory makeshift which has outlived any usefulness it once may have possessed.

The lesson to be derived from societies other than those of human beings, is instanced, and the perfection of the instinct of ants and bees is shown to be a cogent argument in favor of the belief that these wonderful insects have not misinterpreted Nature's intentions by adopting a coöperative régime.

The social lesson to be learned from the corporeal body, and the results which follow any attempt on the part of one member thereof to compete with another, shows still further the value of intelligent coöperation.

The time-honoured saying, "Competition is the life of trade," is considered, and the effort is made to show that it has no meaning worthy of consideration whether taken figuratively or literally. In this connexion the frequent misuse of language is adverted to, for the purpose of showing how an improper application of a term may so deceive a reader as to vitiate all his conclusions.

Man tends to gratify his desires as easily as possible, and to gratify the maximum number thereof. Life itself is shown to be contingent upon such gratification. The right to exist carries with it, therefore, the right to gratify desires—carries with it, in short, the right to gratify desires beyond the point necessary to existence and up to the point where their gratification would interfere with the similar gratification of another. To illustrate this it is stated that no man has a right to wash his camel in water for want of which his fellow man is perishing; but, within the limitations stated, he has the right to breathe more air than is necessary to sustain life at its maximum. The mother of Want is Greed and the child of Want is Fear, whose offspring is Competition.

The great respect in which competition has until very recently been held by the great majority of people is shown to be due partly to a human proneness to mistake relations of concomitance for those of cause and effect; partly from faulty definition; and partly from failure to include in the proposition all those factors which legitimately belong to it. The view held by certain sociologists that we have never enjoyed anything which justly can be called real competition, is contrasted with that of the general public to the effect

## GILLETTE'S INDUSTRIAL SOLUTION

that we are at present living under a competition so keen and relentless as to be cruel in the last degree.

It is pointed out in passing that, under our present régime, competition will tend to grow more and more heartless until the point is reached at which fear gives place to utter despair. This point cannot be crossed by that struggle which we call competition, since fear will not struggle unless there be some measure of hope. The ground is not taken that such a point will actually ever be reached, since other forces may be expected to interfere prior to that result. Were we dealing with a closed system of forces, however, into which no outside influence could enter, the condition outlined would be the inevitable result.

The reader is shown that *competition is merely monopoly in the process of making*. It does not exist at all except when there is disparity between the two sides of the trade equation. It increases as this disparity increases. When the strength of the weaker side, compared with that of the stronger, is all but negligible, we have the full fruitage of *competition* and we name it *monopoly*. The present deference which is paid to the competitive principle is shown to be the result of the belief, on the part of the average man, that the sole choice rests between what he calls *competition* and what he calls *monopoly*. These two alternatives representing but *different degrees of the same thing*, he naturally chooses the *lesser degree* as the *lesser evil*. What he calls *competition* he regards as a struggle which at least offers him some chance. That which he denominates *monopoly* he regards as a condition against which struggle is useless. It offers him no hope of success. It is then pointed out that man's choice is not confined to these two degrees of competition but that he has another choice, viz., *coöperation*.

The question of overproduction is considered and it is shown that such a condition, though misnamed, constitutes a cogent criticism of the system which permits it. The grave errors which result from calling *underproduction overproduction*,—or calling *wrong production overproduction*,—are treated at some length, and the endeavour is made to show the reader that, to all intents and purposes, goods made by a man, which he cannot himself consume or exchange for things he can consume, are not economically "production" of any kind, in any proper sense of that term. The misuse of terms in this connexion is shown to suggest an entirely false and misleading remedy. The real difficulty is upon the distributing end of production.

That competition *per se* is entirely unproductive, while it is the greatest factor of waste in our present social fabric,—its friction being like that of sand in the social dynamo,—is clearly shown. That it is fit only for the jungle; that it is unchristian, and has its very foundation and openly admitted operation in dishonesty and greed is pointed out and illustrated, and the ground is taken that, under a just régime, each will tend to be his brother's *keeper* rather than his *assassin*. The inability of each individual always to react upon himself for his best good, is made the philosophic reason why



## GILLETTE'S INDUSTRIAL SOLUTION

we must help each other if we are to achieve the highest results. The egoistic end of competition will not satisfy us, when we learn that the only real and abiding happiness is to be found in altruistic activities. It is all a matter of breadth of horizon. Our convictions wait to be deepened. We need only to make our front yards the universe to realise in fact that each of us is heir to all creation and that he must needs keep his property free from all evils. That Nature's trend is inevitably toward coöperation, and that all must go down who cannot or will not conform thereto, is made as clear as possible. Man's right to the earth is shown to rest upon indisputable grounds, even apart from all teleological arguments.

The question of capital and labour is considered. The contention that there is an "irrepressible conflict" between these two factors of production is reduced to an absurdity. It is shown, among other things, that to-day's capital is the result of yesterday's labour, and that the labourer is a capitalist and the capitalist a labourer. The real trouble is placed where it belongs, the conflict not being between labourers and capitalists, as mutual opponents, but rather between labourers and capitalists as the same persons or friends, and *monopoly* as a common enemy to both,—in short, that it merely marks a phase of ever accentuating competition — *competition tincturing itself into monopoly*.

Some of the mistakes of current political economy, and the misuse of terms in which some writers indulge, is next considered. The impropriety of applying the term "earn" to *inanimate* objects, and the way in which such a use of language vitiates subsequent reasoning, is put before the reader as a matter of vital import. The alleged right to individual ownership of land is reduced to an absurdity *inconsistent with the assumption that man has a right to exist*. It is shown that, in their last analysis, all values are labour-values, despite the attempts of many economists to bolster up our present régime by seeking to make value depend not purely upon labour but rather upon a *multitude of economic accidents*.

The theory of the utilitarian value of commodities is made the subject of an illustration to show its ridiculousness. Care is taken to make it clear that, since all wealth results from two factors—land, a common property, and labour, a personal possession—any *personal value* which it acquires must of necessity come from its *personal factor*, labour. It could not possibly come from any other source. All values, therefore, are labour-values. Any other alleged values are either outright fictions—"springes to catch woodcocks," or more or less subtle errors growing out of improper definition.

In chapter XVII it is shown that the contention that capital justly can "earn" interest is a companion error to the theory that land properly can "earn" rent. The injustice of interest, as we know it, is treated at some length. The anomalous condition of affairs in which the results of a man's labour may actually bring about his own enslavement is carefully dealt with. Illustrations are given with a view to reducing to an absurdity the contention that capital should "earn" interest. Pains are taken to show that, in-



## GILLETTE'S INDUSTRIAL SOLUTION

stead of capital "earning" interest, the capitalist (and in this function he partakes of the character of the monopolist as well) is merely enabled to *appropriate* the earnings of labour.

The correctness and the remarkable foresight of the ancients in their utter condemnation of interest is adverted to, and it is pointed out that their term "usury" meant simply what our term interest now means, and that it did not mean *extortionate* interest, but rather interest of any kind,—the newer meaning which we have given to usury being a subtle change of language made for a purpose equally subtle, but by no means laudable.

It is shown how, by this "earning" power of capital, a few dollars placed at interest in 1690 would, in some five hundred years or so from the present date, compound itself into a sum sufficient to control the lives of every man, woman and child upon the face of the earth, assuming the population to remain sensibly constant.

Not only does capital "earn" under our *present régime*, but its "earnings earn," and the earnings of these earnings still further earn, and so on, as if the whole régime were like the house that Jack built; and every dollar's worth of value thus "earned" comes out of the sweat of labour, for there is no means of getting wealth of any kind save through the agency of labour. It is clearly shown that this theory of capital "earning" is either a commercial *perpetual motion* or a *gross injustice*.

The intimate relation of rent and interest,—the latter being scarcely more than a reflexion of the former,—is called to mind and the reasons for the same made clear. It is pointed out that the using of a given commodity as capital does not apotheosise it, as so many seem to suppose, but that it still remains simply a *commodity* having precisely the same exchange relations that it had before. It is stated that there has been so much philosophical jugglery in political economy that most persons have been led to believe that the moment a commodity could be called *capital*, it was just and proper not only to make it yield its commodity-value, but, in many cases, ten times that amount, while retaining ownership of the thing itself. Borrowing capital is not *buying it on installments*, neither is it a process which submits it to a wear and tear which depletes it. It is practically a process of *renting a commodity*, in which the borrower makes all repairs, insures the article and returns it intact.

That which some have called a "natural interest" is next considered, and it is shown that although this, as claimed, is all but negligible, the reasons advanced for it are not well founded; in fact, we have to realise that the converse of these reasons tends even more strongly to negative the theory. Upon moral grounds, too, the so-called "natural interest" has a most questionable bill of health, since it rests upon alleged "values" other than labour-values.

The utilitarian theory of value, as well as the popular misconception of profit, are both shown to be erroneous. The real value of all commodities is a factor of labour, and the term *profit* is a misnomer. There is no such thing in a logical system of political economy. The correlative of profit is loss, and, since it is impossible for *all* the human units of a social régime to reap this so-called "profit,"

## GILLETTE'S INDUSTRIAL SOLUTION

it must be self-evident that profit cannot be a factor in an ideal régime, since, if the factors of a social system cannot be universally applied to all persons living under it, it goes without saying that such a system must be undemocratic, discriminative and unjust.

In chapter XVIII the point is made that the ultimate force or forces of Nature are, and always have been, pursuing a definite and inevitable trend—a trend of which we ourselves, in common with all other life-forms inhabiting the earth, constitute a part. In this way we are led to see that all human effort should be an attempt to come into line with the dominant trend of affairs. *It is impossible for us to think outside of the very factors which have made us.*

It is shown that the trend of Nature is toward justice and right, and that justice and right have *no human significance whatsoever*, except as defined in terms of *happiness*. The reader is thus enabled to come as near as may be to a definition of that moral ultimate which we denominate "right."

Having thus defined right as well as the nature of the case permits, we pass to a consideration of the question of individual ownership of land, to the end that the conclusion is reached that such ownership is indefensible. The point is made, however, that if society were suddenly to deprive all individually owned land of its private value, such a course would not be *ideally just*. It unquestionably would be vastly nearer right than the present régime, and, if no juster way were found to cure the ills resulting from private ownership of land, this way, though not in accord with absolute ethics, should be availed of, since it would then result in a condition of *minimum injustice*. It is pointed out, however, that the Gillette system claims to contain a juster method by which the crying outrages of landlordism may be cured. It is held that society, *as a whole*, is *particeps criminis* in the present unjust régime, and that, therefore, if for the social good this régime is to be changed and hardship thereby inflicted, such hardship should be *equally distributed throughout society*. It is believed this is quite possible of attainment, but it is admitted frankly that if it can be shown to be impossible, and no other ideally just way can be found, it is better that *individual landowners* should pay the *whole* penalty for the crime committed by *society as a whole*, than that present conditions should be allowed to continue.

The value of the lesson to be learned by a study of animal instinct is pointed out, and it is shown that whatever is built to last must be founded upon the bed-rock of Nature. The upward progress of man from the jungle is traced and the twinship of war and competition clearly set forth.

The tendency of all human institutions to persist, even after they have outlived their usefulness, is adverted to, and it is shown that it is this tendency which human progress has to overcome.

The marvellous analogy existing between the social body and the body corporeal is again put before the reader, to show the tendency of primordial life to begin as an individualistic cell which works ever upward toward a more and more complex social structure. It is shown that, while every individual must of necessity be governed by



## GILLETTE'S INDUSTRIAL SOLUTION

*self-interest*, it is by no means necessary that these interests shall be *selfish*. It is quite possible that they be *selfish* instead. The whole tendency of the human race is toward the acquirement of the social sense.

Attention is called to the fact that, just as primitive life is all but hopelessly egoistic, while modern life is ego-altruistic, the coming life of the race will show altruism overwhelmingly dominant. Man will then fight for the *social right* as he now fights for the individual right. It is frankly admitted that any system which hopes for success must appeal to human beings *as they exist*, and that it must be able to show, if it would hope to replace the present selfish régime, that, even upon purely selfish grounds, it is better than the régime it seeks to supercede.

The prediction is made that all who have a developed intelligence will be able to satisfy themselves that the Gillette system will gratify more desires, and gratify them more easily, than any other system thus far proposed. More than this, it will also create and satisfy a great number of desires rarely, if ever, experienced under our present system. The nature of pleasure is next considered, and it is shown that no system can be just or right which does not offer to every social unit under it the highest attainable pleasures consistent with equality.

The previous volume of this work is instanced to show that the moral stamina of the race appears to be rapidly breaking down. The reason for this condition is traced to competition. It is shown that the Golden Rule of commercialism — *caveat emptor*, let the buyer beware — is not calculated to develop a sensitively just social sense. The present régime has fastened upon us all, the brand and the philosophy of Cain.

Two chapters from the preceding volume of this work are repeated *in extenso* for the purpose of reviewing the genesis and development of the competitive idea and of showing the awful cost, moral and mental as well as physical, which this idea has inflicted upon the human race.

In chapter XXII the conditions which would obtain in an ideal society are put before the reader, in order that he may be able the better to judge how nearly the Gillette system will approach the ideal. The question of absolute ethics and of relative ethics, or expediency, is dealt with in this connexion. Again it is shown that the survival of the fittest never can be the survival of the best, except under ideal conditions. As a corollary of this truth, it is evident that our present system is leading straight to social degeneracy. It is morally suicidal. The reasons for these assertions are given at length and the remedy is in part suggested.

The effect of poverty upon the birth-rate, and the fact that under competition the social failures of one generation are the fathers of the majority of the next, are cogent arguments for a change of régime. To guard against misconception, the reader is shown that man's environment is evolving toward an ideal condition even as man himself is evolving, so that, in each succeeding age, the survival of the *fittest* will more and more nearly approach the survival of the



## GILLETTE'S INDUSTRIAL SOLUTION

*best.* The point is made that absolute ethics sets the standard of right, and that there are, accordingly, many cases where no act can be performed which is absolutely right. In such cases the best that can be done is to perform that act which is "*least wrong*," or in other words, that act which is *relatively right*.

James Mackaye's definition of a right act is also given, and the means by which we may determine the factors necessary to intelligently apply the various definitions are gone into at some length.

The relation of pleasure and pain to persistence of life and to evolution are then considered. In seeking to come as near as possible to an understanding of certain ultimates, the terms *justice* and *liberty* are dealt with, and it is further shown that under an ideal régime there will have to be considered, not only the total amount of happiness, but the just distribution thereof. Furthermore, it is made apparent that society cannot consider merely the motives of its units, but must hold the social results of acts as of paramount importance. Were this not so inefficiency would soon run riot, since efficiency, though entailing as it would a larger sacrifice, would receive no advantage.

In chapter XXIII the attributes of an ideal social régime are further dealt with. In this connexion it is pointed out that justice would secure to each man the natural results of his own acts both good and bad, and, of course, by implication, the natural results, both good and bad, of his inaction. This is to say that it would prevent him from securing any other results. It is shown that while this is applicable to the *normal* social unit, physical and mental incompetency would be taken care of through an altruism that preferred to temper justice with generosity and mercy.

The part which perfect specialisation of industry would play under an ideal régime is adverted to and the magic results of the free exchange of each labourer's product for an equal value of the product of any other labourer is dwelt upon. The astonishing fact that men can be found who will defend competition as a social ameliorant, when it is not a *social anything*, being *individualistic* in its very essence, is brought to the reader's notice. The social tendency and the egoistic or individualistic tendency are as irreconcilable as daylight and darkness.

It is pointed out further that the inevitable result of competition is to localise the maximum amount of happiness obtained in *ever decreasing areas*, a tendency directly away from that of justice, which seeks to spread happiness equally throughout all social areas.

The failure of life to produce a surplus of happiness over pain is proved by the fact that few, if any, can be found who would be willing to repeat their lives *in toto*. It is deduced from this that, under present conditions, life as a whole is a failure. Who, then, it is asked, has the effrontery to claim that the present régime is good, is divinely ordered, and must not be changed, when it can thus be shown that, so far as this life is concerned, it would be better for the whole human race to be annihilated forthwith than to continue to live under it?

The errors of our present system and their baneful influences are

## GILLETTE'S INDUSTRIAL SOLUTION

passed in review and are charged up to the fact that men cannot be induced to do fundamental thinking. The nature of pleasure and pain is considered and it is shown that there is a limit, at any one time, to the amount of either of these sentiments which a nervous mechanism can produce. The psychology of *ennui* is explained and illustrated. The painful and wearing results of an incessant repetition of the same activities are deduced from these same factors. The potency of public opinion and the necessity of reforming it is brought to the reader's attention. The relation of profit, rent and interest to an ideal régime is pointed out, after which follows James Mackaye's description of a just social system. It is shown that an ideal social condition will be one of perfect coöperation and that such strife as may be needed to keep the social unit in physical, mental and moral vigor will be expended in a conflict not with his fellow man but with Nature. The greatest conceivable moral conquest will be ours when we have learned how Justice balances the pans of her scales. We shall lose nothing, we shall gain everything, by engaging in that battle for moral, mental and physical upliftment which all men may enter as allies and from which all men may emerge as victors. For the benefit of those who scent in anything which they call *Socialism* a grave menace to society, it is pointed out that, so far as many of our governmental activities are concerned, we are already living under a régime of applied Socialism.

The contention that it costs government more than private individuals to perform a given service is shown to be a fallacy due to a misconception of the term *cost*. The wonderful, alleged efficiency of privately managed utilities is only a pleasing fiction of capitalism. We boast of our marvellous railway system, and capitalistic eyes seem like to burst with horror at the mere mention of government ownership of railroads, yet, notwithstanding all this, if we may believe recent investigations, it is a fact that throughout the United States at the present writing (June 1907) freight is moving at an *average rate of twenty-three miles in twenty-four hours!* Imagine it! What a tribute to an individualistic régime! The prairie schooners of more than half a century ago were rapid transit compared with this wonderful efficiency of modern commercialism. The ox-team of our country forefathers made better time. Nor is this all; accidents, death and devastation are daily railway occurrences. Let us sing, *hosanna!* that the powers that be have secured for us such astonishing efficiency, and stand ready to do their utmost to ward off, as long as possible, the terrible menace of government ownership! Reflect what a terrible thing it would be if this marvellous railway efficiency should have to give place to such terrible "socialistic conditions" as mark our postal department, our public school system and the like.

It is shown that government gets its work done at a cost less than that of private individuals, if we use the term *cost* in its proper sociological sense. Under a well-organised noncompetitive system, moreover, present corrupt conditions would soon cease. The reader is asked to realise that there is but one product of paramount importance to every society—a product which must take precedence of everything else, and that product is happiness. Whatever in-



## GILLETTE'S INDUSTRIAL SOLUTION

creases the amount of justly distributed happiness is good. Whatever more justly distributes existing happiness is good. Whatever decreases the amount of justly distributed happiness is bad. Whatever increases the injustice in the distribution of existing happiness, leaving the ratio of happiness untouched, is bad and to be reprobated. The dragon which to-day rests a seemingly immovable incubus upon the better elements of human character is named *Fear*. The St. George who slays this monster will usher in the millennium.

The point is made that an ideal régime would secure to each social unit the right to gratify all his proper, non-invasive desires with the minimum amount of exertion and the maximum return of happiness. It is evident, therefore, that any proposed régime is good and should be acceptable, in just the ratio that it approaches this ideal social state. Societies cannot stand still any more than can individuals. They must either go forward or backward. We are at present going backward. Unless we can check our degeneracy the end is inevitable and by no means pleasant to contemplate. Twenty men in the United States control more than one-fifth of the total property of the nation, indeed, through their allied interests, they practically control the *entire production of the country*. Other nations have gone down to ruin when a few men got control of their wealth. Thus sank the great Roman empire. Thus Babylon went down in shame. Thus Egypt expired and thus perished Persia. Are we to add ourselves to this list of failures? If not, there is no time to be lost.

We have now put before the reader the genesis of present conditions, and have offered him a brief outline of the essentials of an ideal social state.

We are now prepared to pass on to a consideration of the Gillette System, and shall be the better equipped to determine in what measure it will fulfil the ideal conditions we have set forth, and by what means it is to be put into practice.





## BOOK II

If you should see a flock of pigeons in a field of corn, and if (instead of each picking where and what he liked, taking just as much as he wanted and no more) you should see ninety-nine of them gathering all they got into a heap and reserving nothing for themselves but the chaff and refuse,—keeping this heap for one, and that the weakest, perhaps worst, pigeon of the flock,—sitting round and looking on all the winter whilst this one was devouring, throwing about and wasting it;—and, if a pigeon more hardy or hungry than the rest touching a grain of the hoard, all the others instantly flying upon it and tearing it to pieces—if you should see this, you would see nothing more than what is every day practised and established among men.

*Archdeacon Paley.*

When we get to the bottom of the matter, we find the inhabitants of this earth broadly divided into two great masses,—the peasant paymasters, spade in hand, the original and imperial producers of turnips, and, waiting on them all round, a crowd of polite persons, modestly expectant of turnips, for some,—too often theoretical,—service. There is first the clerical person, whom the peasant pays in turnips for giving his moral advice; then the legal person, whom the peasant pays in turnips for telling him, in black letter, that his house is his own; there is thirdly the courtly person, whom the peasant pays in turnips for presenting a celestial appearance to him; there is fourthly the literary person, whom the peasant pays in turnips for talking daintily to him; and there is lastly the military person, whom the peasant pays in turnips for standing, with a cocked hat on, in the middle of the field, and exercising a moral influence upon the neighbors.

*Ruskin.*

The atmosphere, the soil, the mines, the forests, etc., are nature's products and belong by inherent right to the race collectively. The individual has a moral right to appropriate to his personal ownership only such values as he may have added to nature's gifts by his personal creative energy.

*C. C. Hitchcock.*

Q. Why is man so inordinately selfish?

A. He isn't. He is social-ish and doesn't know it.

Q. Why is man never satisfied in spite of all he gets?

A. Because he hasn't found his mouth yet. He is hungry for a thousand, and tries to give a thousand dinners to himself to quench that hunger.

*Charlotte Perkins Gilman — Human Work.*



## CHAPTER XXV



IN order to determine the excellence of any proposed régime it is necessary to have some standard wherewith to compare it and this standard should be one capable of unambiguous definition, in order that it may not mean one thing to one man and another to another. A very large part of the difficulty which so long has rendered political economy a hopeless maze, is due in part to a constant shifting of standards on the one hand, while on the other, even these temporary standards are left in a state of hazy indefinition. The reason for all this is not far to seek. Man's economic relations tend ever more and more, as the ages go by, toward perfect *socialisation*. Competition is *anti-social*, therefore, any attempt to build up a logical system of *society* upon a *competitive* basis is absurd, and as surely foredoomed to failure as would be an attempt to define *life* in terms of *death*. Think of it! Competition, however it may be overlaid by special pleaders with a thin and false veneer of righteousness, is war in its essence. No stretch of imagination can take from it its attribute of *conflict*. They who try to define what they are pleased to call "free competition" as "coöperation," simply wrench language until it fairly shrieks. There is no possible or even *imaginable* instance of commercial competition in which one side of the transaction is not set over against the other, to the end of limiting and restraining it. The ethics of competition, its moral effect upon society, may easily be understood by any who can think beyond their prejudices. The difference between coöperation and competition may, in part, be made apparent by the following illustration.

A, B, and C, own adjacent lawns. They live under a competitive régime and are filled with competitive ideals. A tries to move his boundary so as to include a part of B's possessions and the others do the same with their respective neighbours. The only thing that hinders A from feeding his hens and his cow from B's and C's estate, is that these worthy gentlemen sit on their boundary lines with shot-guns, an expedient which A has already found it advisable to use in his own protection. Thus, by this competition, each man secures his own. The *moral* effect of this régime is hardly one calculated to inspire enthusiasm. There is nothing altruistic in it; nothing Christian; no love of right or truth or justice for its own sake. It is each one for himself and "the devil take the hindmost." Right here we cannot refrain from calling attention to a most pertinent point,—a point which they who endorse a competitive scheme invariably seem to overlook, namely; it is not enough that *equity* shall result as a *finality*, it is necessary that the *means* by which it is secured shall not only *not* be *demoralising* and *debauching*, but they

## GILLETTE'S INDUSTRIAL SOLUTION

*shall be morally regenerating.* This is something to which competition can never lay a just claim.

Now let A, B, and C, referred to above, be socialised individuals under a proper social régime, and the shot-gun and all conflict is at once dispensed with. Each one is the commercial friend and helper, rather than the rival and competitor, of the others. The prosperity of the one is shared in by all. The three lawns will belong in common to the three men, and the *line of least resistance* and *maximum return of happiness* would be along moral lines. The death of A's hens would not give B, individually, a higher price in the egg-market, causing him to rejoice, as under the competitive régime, but it would be a joint *calamity* in which all three would share.

After the foregoing we shall not be expected to define an ideal social régime in competitive terms. We are unalterably committed, if we are to postulate a system which shall be *logically coherent* and *morally justifiable*, to some kind or phase of socialism, though not necessarily to any system which has heretofore been expounded. What we mean to say is, that whether *existing* theories of socialism be or be not sound, of one thing we are convinced, and that is that *some* type of socialism is the *only solution* to the great problem of human justice and human happiness. One cannot do justice in a teapot and not elsewhere. To circumscribe a so-called ultimate is to prove that it was not really an ultimate. Equity can only be equity, in a large sense, when it extends to *every sentient being in the universe*. Our ideal society, therefore, must embrace all mankind, preserving to each the full fruitage of all his inalienable rights.

We already have called attention to the fact that the survival of the fittest never can be the survival of the best save in an ideal environment. In like manner we must not expect perfect justice until we have an ideal social system. In postulating what we regard as some of the more essential factors of a perfect social system, we must not be understood as of necessity advocating the *immediate alteration* of the present régime to conform to such particulars of this hypothetical system. We have taken considerable pains to show, in a previous chapter, that where a social system is imperfect, it frequently happens that at the time no course is possible which will perfectly meet the requirements of absolute justice. As pointed out, the choice is not between the absolutely right and the absolutely wrong, but rather between the *least* wrong course and a *more* wrong course. When, therefore, we go at some length to show that rent, interest, and what is usually called "profits" are, to our thinking, entirely unjustifiable, we must not be understood to advocate, *of necessity*, the immediate abolition of these inequitable factors. What we may be understood to contend, however, is that these factors of economics being unjust, indefensible, and contrary to the higher social policy, they should all be eliminated *at the very earliest moment possible* to do so, without inflicting a hardship greater than that which it is sought to remove. The time for this may be to-morrow, perhaps it is already overpast, and perhaps it may not arrive for years to come; these are considerations which we leave for another time and place. It is sufficient for us now and here to aver that



## GILLETTE'S INDUSTRIAL SOLUTION

our course should be set with a view to an ultimate elimination of rent, of interest and of profits, and that we should progress toward this goal with all the speed which the largest justice, possible to our present imperfect state, permits.

There are many who will contend that the abolition of rent will also effect the practical abolition of interest. If so, so much the better. It is sufficient for our present purpose to demonstrate that somehow, somehow, both rent and interest should be abolished as soon as may be. We are also prone to regard what is commonly called "profits" as rent, interest or wages in the form of superintendence, or all of them combined. Whether this position be correct or not, does not matter since, if profits properly should be classed under rent and interest, they will disappear as rent and interest disappear; while, if they have a separate existence, we contend that they should none the less be eliminated. It were unfair to the reader to ask him to believe that an ideal régime would omit nearly all the economic factors of our present competitive system, without giving him our reasons for these radical suggestions. It is easy to say that they are all unjust, and contrary to the highest social policy, but it is quite another thing to show *why* they are so. This we shall attempt to do, as fully as possible, beginning with the question of *rent*, for the simple reason that that is the easiest factor to treat.

By the term *rent* we refer solely to the price paid for the use of the earth. Our objection to rent is that it is a charge to the individual for the use of that to which he has a perfect, natural and inalienable right. We contend, therefore, that rent is unjustifiable because man has an inalienable right to the use of the earth. Let us examine this condition and see if it be well founded.

There are comparatively few people in this world who deny that mankind has *any rights whatsoever* that are *inherent* and *inalienable*. There are, however, some who go to this extent, and it is therefore necessary first to consider their views. This school of philosophy holds that man is to be governed by his desires, that is to say, that he will, as far as possible, follow his own natural inclinations irrespective of what they would consider *artificial* considerations of ethics. Now it is to be noted in this connexion that ethics is of no value whatsoever, except as it influences conduct, and, conversely, anything which produces the *same influence* upon conduct which *ethics* would produce is of *equal value*, whatever it may choose to call itself. The denial of natural rights, and the assertion that men ought to be, or, if you prefer it, that they *will* be guided by their desires, comes merely to the assertion that each man will do as he pleases. If, now, we can find a basis so broad that all mankind unanimously and instinctively adhere to it, the *resulting actions* will be the same as if they adhered to it because they held such adherence to conform to an inalienable right. Now we find this broad, universal basis in the fact that all men seek to attain pleasure and avoid pain, and in so far as circumstances permit — their own ignorance and insufficiency being a part thereof — they do attain these results. We see, therefore, that even though one denies the



## GILLETTE'S INDUSTRIAL SOLUTION

existence of all natural rights, he still postulates a system under which all men strive to get into their consciousnesses and to keep there, sensations which are pleasurable, and strive to get out of their consciousnesses and to keep out, those which are painful. Remembering this, as the result of a *denial of natural rights*, let us look at the other side of the question to see whither that will lead us.

Man exists as an evolving, sentient organism immersed in an evolving and ever-shifting environment — partly sentient and partly non-sentient — with which he is in infinitely close interaction at all times. To cut him away from this environment, a sense at a time, is but to offer him a death upon the installment plan. The result of an evolution extending back through countless ages, he represents that natural selection which we have called elsewhere the *compound interest of tendency*. In order that he should exist at all, it was necessary that he should tend toward those things which made for his physical well-being and away from those things which would have injured him, or, what amounts to the same thing, those evolving specimens which did not "happen" to show these tendencies, did not "happen" to get far in the race of evolution. They fell by the wayside, because they could not, or would not, and at all events *did not*, adopt the course which spelled success in the life-struggle.

In considering men, as they exist to-day, we invariably are considering those whose age-long ancestry were successful in life's struggle. The failures have left no living record, so we need not consider them at all. This brings us to the statement that every human being alive to-day is, in large part, the result of a single, natural and inevitable tendency — the tendency to seek pleasure and to avoid pain. It is thoroughly ingrained in the very constitution of Nature, with few and insignificant exceptions, and these perhaps apparent rather than real, that pleasure is constructive and pain destructive. Certainly is this true of all normal, healthy individuals.

We find, therefore, that all men seek to attain pleasure and to avoid pain, pressed thereto by a force as natural as life itself and as primal as the very constitution of their organisms. Men do not do this because they are *told* to do it, *they are absolutely powerless to do otherwise*. Now, since the dicta of ethics cannot any more require the performance of the impossible than can our civil code, it follows that that which all men, perforce, are *bound* to do *cannot be wrong to do*. That all men should seek the attainment of pleasure and the avoidance of pain, and that they always should so have comported themselves, — they and their age-long line of prehuman ancestry — cannot, therefore, be *wrong*; if not wrong and if *inevitable* we surely may contend that it is *right*. Since, now, this right tendency is as *old* and as *primal* as the *constitution of matter* — since, in short, this right tendency is so *natural* that without its age-long persistence human sentience could not exist at all, — we may certainly feel warranted in calling it a "*natural*" right. There certainly can be nothing *artificial* about a thing which forms the cornerstone of Nature's whole scheme.

We contend, therefore, that the *right to happiness* is a *natural right*, and, since man must live before he can be happy, we contend

## GILLETTE'S INDUSTRIAL SOLUTION

that the *right to life is natural and inalienable*. No man can deny the right to life without first living himself. No man can deny the right to happiness without giving the lie to all those life-forms of which he himself is the culmination—life-forms whose pursuit of happiness alone made him possible. We contend, therefore, that thorough consistency with Nature is "*natural*," and that it is "*right*," and we further call attention to the fact that it results in precisely the same course of procedure as we have shown to result from a *denial of all natural rights*, in that they both recognise that it is at least not *wrong* that mankind should seek to attain pleasure and avoid pain, and in that they both recognise that mankind *cannot possibly do otherwise*. We know of no higher test of truth and right with respect to theories under examination for the purpose of determining whether they are indeed true and right, than that they shall be found to fit every other fact in the universe with a close joint. This is precisely what we find when we consider this inevitable human tendency to seek happiness; a tendency older than humanity; a tendency necessarily precedent to humanity; a tendency the outgrowth of, and in harmony with, all that is; a tendency universal and unavoidable; a tendency which is the father not only of human life itself, but of pretty much all the progress that human life has ever made; and a tendency, moreover, which we aver to represent a *natural and inalienable right*. We hold, therefore, that *natural rights do exist, that these rights are inalienable*.

Before we can determine what are man's inalienable rights we must first determine what we mean by the word *rights* in this connexion. There are few terms so loosely used as this in question. Many insistently mix legislative enactments with moral considerations in their definition of this term; others take the legislative enactments as criteria without the moral considerations. Of course, it needs but to be pointed out that the law bears no necessary relation whatsoever, either to *right* or to *ethics*. We often hear that so and so has been deprived of his natural rights, as if it were possible to take from a man a natural right. To alienate that which is inalienable is a contradiction of terms. A man's natural, inalienable rights are woven into the warp and woof of his being; they are part and parcel of him, persisting and clinging to him as long as he persists and his soul clings to his body. He cannot *give them away*; he cannot *sell them*; or in any way be *rid* of them; neither can they be *taken from him*. They are not something which he acquired, neither are they something which belongs to him by reason of any attributes or virtues which he possesses, or any acts which he has *performed*, or from which he has *refrained*. As well might one hold that the law of gravitation was specially devised anew for the benefit of each and every molar mass, as to suppose that a man's inalienable rights belong to him because of his individual peculiarities. The inalienable rights of a being belong to that being before it has either merits or demerits.

The celebrated Dartmouth College decision, and all that long chain of legalised robbery which has been founded upon it, is unsound, not because it robs men of their natural rights, for that as



## GILLETTE'S INDUSTRIAL SOLUTION

shown is a contradiction of terms, but because it prevents men from enjoying the benefits of those rights. A man having an inalienable right to liberty of movement may be forcibly imprisoned. His right to liberty is not thereby lessened, he simply has been prevented from exercising it.

It must not be inferred that a man's inalienable right would be the same under all conceivable circumstances. Were there but one being in the universe, then the rights of that being would be coextensive with his will. Whatever he might choose to do could not invade the right of any other, because there would be no other. If in place of "the universe" we read *any completely isolated area*, the rights of one being within that area would be limited only by his will. It must be remembered, of course, that by "isolated area" is meant an area which has not now, and never can have, any communication-with, or effect upon, any other area whatsoever. In these two cases we reach the widest possible degree of a man's inalienable rights. In still another case we reach the same extent of *liberty*. In any ideally perfect community, perfect in all respects—if, for the sake of the hypothesis, we can imagine such a community to exist,—the rights of the individuals would be coextensive with their desires, for the simple reason that their desires would be limited by their rights. Being perfect they would not wish to do anything in the least invasive. Lest it may be thought straining a point to speak of ideal conditions, which almost universally are considered impossible of realisation, the reader is reminded that *absolute ethics* is, perforce, obliged to take such a condition as a *standard*, while with sociology and political economy the same truth holds. We must in each case have some *standard* by which to measure how good or how bad are our actual attainments. Just as we can only measure abnormal bodily conditions by their departure from a state of perfect health—by the degree of their abnormality—so is it with ethical and social conditions; the *standard* must be one which is *ideally perfect*, since no other can be made to serve *intelligibly*.

Still another factor determining inalienable rights is the imperfect social condition under which we live to-day. In this case it is a mistake to assume that all acts are *either* right or wrong. That act which expediency often tempts us to call "right" is, when tested by absolute ethics, usually only the *least wrong* choice which we can make. In short, it is to be remembered that the dicta of absolute ethics, if rigidly followed, will only produce ideal results under ideal conditions; and these conditions may roughly be defined as those under which the survival of the fittest will also be the survival of the best. An illustration, which we believe we have used elsewhere, will help to make this point plain.

According to absolute ethics it would always be right to refrain from deception and to tell the truth. Imagine, however, a case in which an unarmed person carrying say, large sums of another's money, is held up by a highwayman. A quick and suggestive movement toward his hip-pocket deceives the robber into thinking him armed and frightens him away; but this is deception which is wrong



## GILLETTE'S INDUSTRIAL SOLUTION

according to the dicta of absolute ethics. Despite all this, however, we know that the *condition which results* from this deception is far nearer *justice* than that which would have followed a rigid application of absolute ethics. What then does this indicate? Merely this. That a system which aims at perfection will only produce perfect results when applied under conditions *adapted* to it. Environment is more often than not the determining factor of acts, and we cannot expect perfect results unless the factors, acting as causes of those results, adapt themselves to that end. From all this will be seen what we mean when we say that, in any given alternative, we cannot be sure that either horn of the dilemma will be *absolutely right*. All we can hope for is to do that which is the *least wrong* or the *nearest right*. Under *ideal conditions* there will be no highwaymen, or other factors, ever making *deception* the least wrong alternative.

Under the existing régime, however, we know full well that there are many who might wish to invade the rights of others, and we are obliged, therefore, to look for that *least wrong* course which, under our imperfect conditions, brings us as *nearly as possible* to a realisation of the requirements of absolute ethics. Under present conditions, therefore, we may say that every man has an inalienable right to the widest liberty compatible with equality of liberty, which is only another way of saying that the inalienable rights of all humanity focus at one common point — *equality*.

But when we speak of inalienable rights there is one right which of necessity takes precedence of all others, namely, the right to life; for if a man have not the right to live, then he can have no other right and the discussion ends there. Man's first and fundamental inalienable right, then, is the right to live. If he could be denied this he could be denied *everything*, but he who denied the right of man to live would first have to live himself in order to deny it, so that his own acts would be absolute refutation of his own contention.

If, now, man has an inalienable right to life,—a right not given him, not the result of any merits or acts or passivity on his part, and a right which he cannot dissociate from himself in any way,—then it goes without saying that man has an equally inalienable right to all those things which are *necessary to his life*. It is a legal maxim that the law compels no man to do the impossible, and we may take it as a dictum of practical ethics that *nothing is right which cannot be put into practice*. The moral law requires no man to do the impossible, and it is not conceivable, therefore, that man should have a right to life and not have a right to those things which alone make life possible. If we could hold it consonant with man's inalienable rights to deny him the right to air to breathe, we should *retroactively attack his right to life*, and since this is the right antecedent to all other rights, we should thereby attack *all* his rights.

We see, therefore, that if man has any rights at all he has a right to air, to water and to land, which is to say, *he has a right to the use of the earth, that he may partake of the wealth which comes therefrom and without which he cannot exist. This right to the earth*

## GILLETTE'S INDUSTRIAL SOLUTION

*is his right to a supporting area in space, and to deny it would be as foolish as to deny to his body the actual room it occupies, since the one denial would be as annihilatory as the other.*

The modern contention growing out of the Dartmouth College decision, to the effect that a franchise is a contract, is a flat violation of man's most fundamental right, namely, the right to life.

The contention that a legislature is able to perform, as a body, a function *greater than the sum of the natural and deputed powers of its members*, would be ridiculous were it not tragic. If man has an equal and inalienable right to the use of the earth, is it not absurd to contend that he can *alienate* the *inalienable* by bestowing this right upon another either directly or through a legislature? A man's inalienable right to the use of the earth exists only during the period in which he is able to use it; it cannot exist after *he* ceases to exist; and it would be ridiculous and abortive to claim a right which could not possibly *under any conditions* be realised. More than this; a man's inalienable right is subject to the inalienable rights of all other men. In claiming that he has a right to live to-day he must admit the same claim of the new-born babe, and hold himself in readiness to recognise the *equal right of future generations*.

It is by reason of these facts that the contention that a franchise is a contract which may be indefinitely perpetuated is entirely fallacious. If a legislature, elected in 1900 by the suffrage of the then voting population of any given community, may make enactments, the force of which shall extend indefinitely beyond their term of office, then popular suffrage and all democratic ideals are *mere farcical diabolism*, and the suffrage of future generations may be given away for all time. Imagine a man foolish enough to contend that he had an inalienable right to the use of the earth, and that that right not only persisted after he was dust and could not use it, but that if he chose he could, while living, bestow his right upon another (in the form of a corporation) who should hold it for all time. Imagine this, and then imagine each human being who is alive to-day taking the same position, and turning his alleged rights over to a single corporation for all time, and you come face to face with the absurdity of the legislation founded on the Dartmouth College decision. Under such conditions the next generation would have no *legal* rights to match their inalienable rights, and, since the legal quagmire in which they would find themselves would have been the result of their ancestors' contention that they themselves had rights to the use of the earth, we are brought face to face with the fact that, in the last analysis, the claim of these ancestors must have been one the very validity of which they denied to their progeny. Man's right to the use of the earth cannot be passed to another and inheres in him but for a limited period. He cannot, therefore, cede it to another even for that period, much less can he cede it to another for a term beyond the time when he himself would naturally possess it.

If a man who had leased a house for the year 1907 should attempt to sublet it for the next ninety-nine years, we should think it strange; but what should we say if we found later that his lease read that, even for the single year, 1907, it should be occupied by *no*



## GILLETTE'S INDUSTRIAL SOLUTION

*one but himself?* In some American cities franchises have recently been given *in perpetuity*, and this is but another way of saying that, if this legal hogwash be declared veritable soup, and the people be found willing to swallow it, all future generations will be prevented from exercising that inalienable right which will inhere in them with regard to that particular part of the earth and the fruits thereof covered by these franchises. A corrupt city government like those in question has only to name its price to enable a corporation to acquire forever all the public utilities of a municipality. A state, or even a national government, by virtue of this delectable legal jugglery, may easily forever cede to a corporation, or even to a natural individual, all those vital resources which form the material for legislative enactment, leaving to future generations nothing whatever for which to vote.

It is astonishing that a Supreme Court can be found willing to immolate itself upon the historical trident of ridicule by upholding such a decision as that which arrogates the right of the present to disfranchise all the future. A contention withal, which as we have seen has no ground for existence, and when by courtesy *given* one for the sake of the argument, immediately breaks of its own weight.

If a man have an inalienable right to life, and collaterally to those things which are necessary to life, it follows that he has the right, in conformity with the equal rights of others, to pursue a course necessary to the attainment of those essentials to life. This is to say once again that he has a right to use the earth, to conjure from it that wealth without which he cannot exist. When, therefore, wealth is taken from the earth by a multiplicity of individuals there is, if the right to the use of the earth be common to them all, but *one means* of identifying the portion of the common production owned by each individual. This we adopt when we say that to each man belongs that which he produces, or, as it is more frequently stated, "to labour belongs the total product of labour." It must not be inferred, however, that a particular labourer produces all that flows from the earth in seeming response to his individual efforts. Much, in fact probably the overwhelming part of this return, properly belongs to society; and it is more than likely that the new political economy which is growing up, as a sort of *revulsion from college economics*, ultimately will hold that this *total product is social*.

When we come to think how little the individual has, save what has been handed down to him as an heirloom from past societies, and couple with this the fact that pretty much all the *value* of everything he has, including even life itself, is a factor of *present society*, we cannot but feel that the purely *individual, non-social* part of a man's labour is vanishingly small, if, indeed, it have any existence at all. The miner who finds a gold nugget considers it the sole product of his labour and capital applied to the earth, but if there were no society, no other human beings on the earth, he would as soon have a pebble as a nugget. Who taught him to mine? Who gave gold its value? Who discovered its use in the arts? Who invented the tools with which he works? These are the questions the answers to which are eloquent confirmations of the claim that man's



## GILLETTE'S INDUSTRIAL SOLUTION

products are overwhelmingly social. We may even ask who nourished him and maintained him, body, mind and soul, until he reached an age at which he could dig his nugget, and if we answer that his *parents* did it, and that in turn their parents did it for them, and so on down countless centuries, we have but *described society in terms of parenthood*. It is society, none the less, because we break its members up into family groups. The essential point is that the claims of the individual, *as an individual*, must in justice be vanishingly small, and a just apportionment of these claims upon any individualistic basis must be correspondingly difficult, if indeed not impossible. More than this; no individualistic examination, however thorough, tells the whole story. There is a distinctly *social* product which comes only from *coöperation*. Ten men do vastly more than ten times the labour of one man working by himself. Proudhon refers to this coöperation on the part of workers as “. . . that immense power which results from the union and harmony of labourers, and the convergence and simultaneousness of their efforts.” He says, “Two hundred grenadiers stood the obelisk of Luxor upon its base in a few hours; do you suppose that one man could have accomplished the same task in two hundred days? . . . Well, a desert to prepare for cultivation, a house to build, a factory to run,—all these are obelisks to erect, mountains to move. . . . A force of one thousand men working twenty days has been paid the same wages that one would be paid for working fifty-five years; but this force of one thousand has done in twenty days what a single man could not have accomplished, though he had laboured for a million centuries.”

It is not the purpose of this work to follow this reasoning to its logical conclusion, for the reason that popular thought is not as yet educated to this view of things. This is so many steps in advance of present conceptions that we think it wiser, for the time being, to confine ourselves to those earlier steps which may even now be taken. We could not, however, refrain from this short digression, lest the reader should think we were unable to perceive finalities. The time will surely come when the individual's claim to wealth produced will be as nothing compared with the social claim, and when it will be perceived by all competent thinkers that there can be no *individual, just apportionment* of wealth. All this, however, is not yet, and for the present we content ourselves with a more nearly individualistic basis as represented in the phrase —“to labour belongs the total product of labour.”

While, therefore, we may not say that each man has an inalienable personal right to just those things which become available through the application of his labour to the earth, we may say that each man has an inalienable right to the exercise of those activities essential to the procuring of his necessities, always provided he infringe not the equal right of others.

In passing, we wish to call attention to an important consideration in connexion with this phrase —“the equal right of others.” The characteristic of justice is equality, and we wish to point out, therefore, that *justice cannot be administered in segregated groups*,

## GILLETTE'S INDUSTRIAL SOLUTION

whether they be *individuals, families, towns, cities, states or nations*. Justice knows no latitude, no longitude, no nationality, no colour, no boundaries; and no limitations of any sort. You might as well attempt to put divinity into a teacup, as to do justice within certain boundaries, without regard to the rest of the race outside those boundaries. A case in point will make this clearer. According to the views of the Single Taxers justice is to be attained by taxing land according to its economic rental value, and in this connexion the point is well made that some land has been made much more valuable than some other land through purely social rather than individualistic agencies.

An acre of land in certain sections of New York is valued at nearly a million dollars, while an acre of land of a much higher agricultural quality in the farming district of Illinois, is worth but a few dollars. The great value of the New York acre is what is known as its site value,—a value due purely to its location: This value, as the Single Taxer points out, is created by *society* and not by the *owner*. It is an *unearned increment* which results from the fact that great masses of men have seen fit to make their homes in its vicinity. The Single Taxer claims that, inasmuch as this value belongs to society, society should tax it for its own support to such an extent that no disadvantage should accrue to the owner of less desirable land. It is held that the western farmer, whose wheat and corn furnish a large part of the activities of Wall Street, is a factor in the value of this New York acre, since he is a part of that society which has built up its unearned increment. It is held, therefore, that he has a right to share in its wealth. Were the Single Tax to be adopted throughout the United States as proposed, it would, if it worked as claimed for it, tend to equalise the desirability of all land in use, taxing that of great value in proportion to its economic rent and minimising the tax upon that of little value. The result of this would be that cities and congested communities would pay a heavy per acreage tax, while farmers would find their taxes reduced in a surprising degree. Inasmuch as a recent political trickster, now deceased, went up and down the country telling farmers that the Single Tax was a tax upon land and that, therefore, they did not want it, because, having so much land it would fall upon them with especial severity,—it may be well to point out here what this political mountebank knew perfectly well, that the Single Tax does not propose to tax land according to its acreage, but does propose to tax it according to its value, and proposes also to raise *all taxes necessary* upon this basis. The result of this régime, if adopted, would be that the cities and other congested portions of the country where valuations are high, would pay a greater portion of the tax, while the farmers' tax would be relatively lighter, and it would moreover, be the only tax he would have to pay. There would be no tax upon his cows, his buildings, his tools or his income; no road tax, school tax or other tax of any sort or description. Furthermore, he would not, as now, pay a tremendous though cleverly disguised tax upon every pound of tea, tobacco, coffee, or other tariff-manipulated product. Now, if he buys an American made file he pays a tariff tax as



## GILLETTE'S INDUSTRIAL SOLUTION

surely as if he bought a European file. All this under the Single Tax would, according to its advocates, be done away with; likewise all tax-dodging would disappear, for while a man may juggle his movable belongings each first of May, he can neither move, nor hide, nor conceal the *value* of, his land.

Assuming, now, that the Single Tax applied to this country would work just as its advocates claim, would complete justice result? By no means. The most that can be said is that a great part of the existing injustice would be eradicated, and this brings us to the point we wish to make. A single nation, considering merely its own citizens and affairs, can no more dispense absolute justice than can a single family. The Chinaman who sends his tea to New York, has his share in the unearned increment of that highly valued acre of New York real estate. No system which denies the Celestial's right, or fails to account to him for it, can ever be perfectly just. Every individual in society acts and reacts upon every other individual, even as every cell in the human body acts and reacts upon every other cell. The use of the earth belongs to all men, and if it be right to adjust values between New York and Illinois, it is none the less right between Philadelphia and Pekin.

Society may be likened to a vast mechanism. A *gain* may be effected by balancing *some* of its overloaded parts with *some* of its underloaded parts, but this gain will not be sufficient. If the mechanism is to run smoothly and not ultimately beat itself to pieces, it must be put in perfect balance *as a whole*, and no attempt at supreme justice ever can hope to succeed which does not deal with the mechanism as a whole. As well might one hope to regulate a watch to keep perfect time with a part of its gearing, and the friction thereof, left out of account.

All this brings us, then, to a restatement of the postulate that man not only has an inalienable right to the use of the earth, but that every man has an inalienable right to the use of an *equally desirable* portion of the earth, and if such portions are not conveniently to be had in nature, their desirability must be equalised by social effort. All this inheres perfectly in the dictum;—man has an untrammelled right to the use of the earth up to the point where he would infringe the equal right of others. Were part of the human race to occupy all the most fertile lands, and make no social allowance to those thereby forced to till less productive soils, they would clearly be infringing the equal rights of others, and that would again very naturally result which has resulted throughout all history when men and nations have appropriated the garden spots of the earth. The dispossessed would fight to the limit of their ability to regain that of which they had been robbed.

It may be well here to repeat that an inalienable right does not project itself into the future. It stops with the *Now*. Our right to life is a right which we have *Now*. We have no right to to-morrow's life, but *will* have when to-morrow comes. Our right to life to-day, and to the necessities of life, is not a right to to-morrow's life or to its necessities, though we *know now* that when to-morrow comes, if we still exist, which is to say, if we are *we*, we shall *then* have a



## GILLETTE'S INDUSTRIAL SOLUTION

right both to life and to the necessities thereof. An inalienable right, simply because it is inalienable, clings to personality as a shadow clings to its object, and where personality is not, the right is not. As easily could man bequeath his shadow, or in any way dissociate it from himself, as he could transfer or part with an inalienable right. If, now, man has an inalienable right as shown, to the use of the earth,—so that he infringe not the equal right of others,—then *all* men must have equal inalienable rights in all the earth and not only in the *earth*, but in all the rest of the planetary bodies, so far as they can affect *man*. If man had a right to preëempt a portion of the earth, to the exclusion of the rights of his fellows, he would have an equal right, could he do so, to preëempt the whole, or any portion, of the sun.

An injustice which starves a million men is no greater in kind than that which starves a single man; it is merely greater in extent, that is all. Suffering must be estimated in terms of personality and the single individual dying of starvation feels as intense a degree of suffering as could be felt by a million isolated individuals undergoing the same fate.

The question now arises; how we are to bring about this perfect justice between men? We have found that man has an inalienable right—directly traceable to that primal right which none can deny, and without which he could have no rights whatsoever—to an equal share of the bounties of nature, and further we have seen that it is useless to attempt to devise any régime filling the required specifications upon a basis which segregates the human race into non-interacting or imperfectly interacting groups, whether they be the size of families, states or nations. Social gravitation exists between all social bodies just as physical gravitation pertains to all molar masses. More than this; just as the existence of every molar mass in the universe alters the gravitation of every other such mass, so the existence of every social molecule alters the rights of every other molecule.

The members of society being individuals of wide diversity of ability, and acting, perforce, upon areas of the earth having wide diversity of productiveness, it would seem evident, if justice is to be done, that some sort of pooling or centralisation of wealth must precede its distribution, or a similar result must be reached by some method which derives its data from an *imaginary* pooling of said wealth and distributes it in accordance therewith.

In connexion with this subject of rent, we have yet to mention the argument most frequently heard in its favor—an argument of great cogency to the teleologist, but of much less value to the philosopher. This theory postulates that God created the world and all that therein is for man's use, and that it must, therefore, be regarded as a father's gift to all his children, wherefore, any attempt to monopolise it, or to deprive any man of his right to use it, is in defiance of God's will, defeats His manifest intentions and is, therefore, wrong. Those who prefer not to presume to understand Divine intentions will find in man's inalienable right to life a sufficient guarantee of his right to the use of the earth, without which he cannot live.

## GILLETTE'S INDUSTRIAL SOLUTION

Before closing this subject of rent, it is of the utmost importance that we note the exact character of this inalienable right which each man has to the use of the land. An illustration will make our point clear. If A is the owner of a patent and B wishes to purchase an interest therein, under our existing laws, this may be effected in either one of two ways, to wit; he may purchase a part of the whole invention, or the whole of a part of it. If the invention be covered by a United States patent, B may purchase the entire right in, and for, the New England States, for example, or he may purchase one-quarter interest in *all* returns of any sort accruing to the owner by reason of his patent. It matters not how these respective purchases be named, the essential feature is the *vital difference* which exists between the ownership of an *undivided part of the whole* and that of the *whole of a stipulated part*. Now man's inalienable right to the use of the earth cannot, by any possibility, be a right to the use of some definitely prescribed portion of it. Were such the case justice would be defeated, unless the *extent* of the area assigned to each were figured with infinite intelligence exactly to compensate for the productivity and the desirability from all conceivable considerations. Nothing short of omnipotence could bring about such a result. Therefore, by virtue of the postulate that no ethical code requires the impossible in its fulfillment, it follows that such a division would not be right. What, then, remains? This. Man's inalienable right to the use of the earth is a right to his *proportion* of the productivity of the *whole planet*. He has the same right to the use of Maine that he has to that of California; the same to that of China as to that of Peru.

We have said that he has an inalienable right to his just proportion of the entire productivity of the earth. We do not mean by this that he has, regardless of all personal considerations, his *per capita* proportionate part of all the wealth that is produced, but simply that he has an inalienable right to his *per capita* proportionate part of the *natural increase of nature*—a right to Nature's lavish bounties in *whatever form* and *whatever locality* they may be bestowed. He has no natural right to his brother's labour, nor to that part of his brother's production which is strictly the product of that labour. He has, however, a personal interest in all the vital forces of Nature. That one grain of wheat can be made by a single planting, to produce five thousand grains, with the expenditure of an amount of energy vastly less than the five thousand grains of wheat are capable of replacing, is a matter of vital import to him. That the fish of the sea, the birds of the air, and the game of the forests multiply without the expenditure of human labour concerns him intimately. That the moth and the rust, in company with the many erosive forces of Nature, are constantly at work; that cultivated land so quickly, when left to itself, slips back to pasturage, and from pasturage to thicket, touches him no less nearly, since it cuts down the amount of Nature's bounties, his share of which is his birthright. This ratio between the constructive and destructive forces of Nature tends to vary with locality and with time. It is different in different places, and different at the same place at different times, but, considered broadly the world over, there is a material residual bounty which

## GILLETTE'S INDUSTRIAL SOLUTION

Nature lavishes upon her children, and the right to his portion of this bounty rests inalienably in every human being.

We emphasise this point because some important economic fallacies have arisen from the failure to realise that the right to the use of the earth carries with it the inalienable right to benefit by all natural processes capable of bestowing benefit. *These processes, whether chemical or otherwise, are just as much a part of the earth as its rocks, its air or its water.*





## CHAPTER XXVI

The lust in the lure of your treasure  
Is ruthless of age and of youth;  
You fawn on the idol of pleasure,  
And scoff at the martyrs of truth.  
Your harvest in years that come after  
Shall rankle with menace and jeers;  
Tho' loved where there's wine and there's laughter,  
You are hated in hovels of tears.

With the surfeit of things that are golden,  
The wrath of the gods you appease,  
Unmindful to whom you're beholden  
For the long, precious hours of your ease.  
Worn hands of the weary ones beckon,  
Who toil that your hands may be white.  
With the quick of your soul do you reckon,  
As you dole to the beggar your mite.

Unhallowed the portion you render  
To God, of your coffer's increase.  
You may boast of His cause, the defender,  
But hold you His secret of peace?  
If the wraiths of the children who wander  
Could sit at your feast — from the dead —  
Would you hold to their portion, and squander —  
The children who hungered for bread?

Ill-holden, your splendour shall perish;  
The winds are at war with your towers.  
The Hope which the comfortless cherish,  
Now quickens the Conquering Powers.  
Disgorge you, of treasure ill-gotten;  
Restore to the millions their own;  
Ere pillars be shattered, that rotten,  
And Mammon be crushed on his throne.

*Dwight Marvin.*



## CHAPTER XXVI



WE come now to the consideration of interest. We define this term as follows: Interest is that which is paid for the use of capital. We must disabuse our minds of the not uncommon fallacy that interest is *money* paid for the use of *money*; it may just as well be potatoes paid for the use of wheelbarrows.

In "Fors Clavigera" Mr. Ruskin has the following which is of importance since it embodies a very clear statement by Kellogg and, at the same time, shows Mr. Ruskin's own position.

"I put in large print—it would be almost worth capital letters—the following statement of the principles of interest as 'necessary to the existence of money.' I suppose it is impossible to embody the modern view more distinctly:—

"Money, the representation and measure of value, has also *the power to accumulate value by interest*. This accumulative power is essential to the existence of money, for no one will exchange productive property for money that does not represent production. The laws making gold and silver a public tender impart to dead masses of metal, as it were, life and animation. They give them powers which without legal enactment they could not possess, and which enable their owner to obtain for their use what other men must earn by their labour. One piece of gold receives a legal capability to earn for its owner, in a given time, another piece of gold as large as itself; or, in other words, the legal power of money to accumulate by interest compels the borrower in a given period, according to the rate of interest, to mine and coin, or to procure by the sale of his labour or products, another lump of gold as large as the first, and give it, together with the first, to the lender."

There is no intellectual task more difficult than that of thinking independently of one's education, habits, prejudices and interests. To the average business man the suggestion that interest should be abolished sets his mind in such a turmoil, if, indeed, it do not similarly stir his emotions, that forthwith he is rendered incapable of coherent reasoning. In order that we may prevent, as far as possible, such an outcome, we wish to repeat once again that, in bringing interest to the bar of absolute ethics to determine whether or not it is in conflict with ideal conditions, we are not contending that a verdict against it would of itself, as a mere verdict, mean that it should be abolished *instantly*. We are not even contending, *at this juncture*, that such a verdict would, apart from all other considerations, show interest to have a maleficent effect *under the existing régime*; indeed, for aught we have said to the contrary, in this immediate connexion, one might continue to hold his preconceived opinion that, under the present ré-

## GILLETTE'S INDUSTRIAL SOLUTION

gime, the taking of interest was the *least wrong* course possible. That this might not be our own contention, and that we believe it will not be that held by an unprejudiced reader, is apart from the present issue. What we stoutly aver, and hope conclusively to prove is that, under an ideal social régime, or even under a régime which we can quite easily imagine, the taking of interest, whatever it may or may not be *now*, would be as improper, as contrary to public policy and as unjust, as any other kind of robbery.

We have defined interest as that which is paid for the use of capital, and we now define capital as that part of wealth which is used in the production of more wealth. Here, as in so many other departments of political economy, there is a seemingly hopeless conflict of definition. Consult half a dozen standard works on political economy and if you originally thought you knew how to define *capital*, you will be likely to conclude in the end that you know nothing whatever about it. In his "The Nature of Capital and Income," Prof. Irving Fisher defines capital as follows: "A *stock of wealth* existing at an *instant* of time is called *capital*." After referring to the widely diverging definitions of capital and interest he pauses in Section 2 of Chapter 4, to consider some of them as follows. (We omit his reference numerals and footnotes).

"From the time of Adam Smith it has been asserted by economists, though not usually by business men, that only particular kinds of wealth could be capital, and the burning question has been, *What kinds?* But the failure to agree on any dividing line between wealth which is and wealth which is not capital, after a century and a half of discussion, certainly suggests the suspicion that no such line exists. What Senior wrote seven decades ago is true to-day: 'Capital has been so variously defined, that it may be doubtful whether it have any generally received meaning.' In consequence, 'almost every year there appears some new attempt to settle the disputed conception, but, unfortunately, no authoritative result has as yet followed these attempts. On the contrary, many of them only served to put more combatants in the field and furnish more matter to the dispute.' Many authors express dissatisfaction with their own treatment of capital, and even recast it in successive editions.

"Adam Smith's concept of capital is wealth which yields 'revenue.' He would therefore exclude a dwelling occupied by the owner. Hermann, on the other hand, includes dwellings, on the ground that they are durable goods. But a fruiterer's stock in trade, which is capital according to Smith, because used for profit, according to Hermann does not seem to be capital, because it is perishable. Knies calls capital any wealth, whether durable or not, so long as it is reserved for future use. Walras attempts to settle the question of durability or futurity by counting the uses. Any wealth which serves more than one use is capital. A can of preserved fruit is therefore capital to Knies if stored away for the future, but it is not capital to Walras because it will perish by a single use. To Kleinwächter, capital consists only of 'tools' of production, such as railways. He excludes food, for instance, as passive. Jevons, on the contrary, makes food the most typical capital of all, and excludes railways, ex-



## GILLETTE'S INDUSTRIAL SOLUTION

cept as representing the food and sustenance of the labourers who built them.

"While most authors make the distinction between capital and non-capital depend on the kind of wealth, objectively considered, Mill makes it depend on the intention in the mind of the capitalist as to how he shall use his wealth, Marx makes it depend on the effect of the wealth on the labourer, and Tuttle, upon the amount of wealth possessed. Again, while most authors confine the concept of capital to material goods, MacLeod extends it to all immaterial goods which produce profit, including workmen's labour, credit, and what he styles 'incorporeal estates,' such as the Law, the Church, Literature, Art, Education, an author's Mind. Clark takes what he styles, 'pure' capital out of the material realm entirely, making it consist, not of things, but of their utility. Most authors leave no place, in their concept of capital, for the value of goods as distinct from the concrete goods themselves, whereas Fetter, in his definition, leaves place for nothing else. Some definitions are framed with especial reference to particular problems of capital; many, for instance, have reference to the problem of capital and labour, but they fail to agree as to the relation of capital to that problem. MacCulloch regards it as a means of supporting labourers by a wage fund; Marx, as a means of humiliating and exploiting them; Ricardo, as a labour saver; MacLeod, as including labour itself as a special form of capital.

"Many definitions have reference to the problem of production, but in no less discordant ways. According to Senior, Mill, and many others, capital must be itself a product. Walras, MacLeod, and others admit land and all natural agents under capital. Böhm-Bawerk while agreeing that it must be a product, insists that it must not apply to a finished product. Marx denies that capital is productive. Böhm-Bawerk admits that it is not 'independently' productive, but denies the Marxian corollary that it should not receive interest. Other writers make it coördinate with land and labour as a productive element.

"As to what it is that capital produces there is further disagreement. Adam Smith affirms that capital produces 'revenue,' Senior, that it produces 'wealth.' Others vaguely imply that it produces value, services, or utility.

"Most of the definitions involve some reference to time, but in many different ways. Hermann has in mind the time the wealth will last; Clark, the permanency of the capital fund as contrasted with the transitoriness of its elements, 'capital goods;' Knies, the futurity of satisfactions; Jevons, and Landry, specifically the time between the 'investment' of the capital and its return."

The "Standard Dictionary" gives for its first definition of capital this: "Wealth employed in or available for production."

Ricardo defines capital thus: "Capital is that part of the wealth of a country which is employed in production, and consists of food, clothing, tools, raw materials, machinery, etc., necessary to give effect to labour."

We ourselves adhere to the definition given above, namely, "Capi-



## GILLETTE'S INDUSTRIAL SOLUTION

tal is that part of wealth used in the production of more wealth," the other part of wealth having, for our purpose, no economic value whatsoever, as it is not a factor in production.

It is well-known that the ancients regarded the taking of interest as an immoral act.

In "An Introduction to Political Economy," Professor Ely says: "The Mosaic legislation prohibited all interest, for usury in older literature means not merely excessive interest but any interest at all. Moses allowed the taking of interest from strangers, but in certain special cases it was unlawful to take it even from them. The greatest philosophers and statesmen of classical antiquity, and of the Christian Era until modern times, have been opposed to the taking of interest, and the laws have reflected more or less perfectly their views. Recent opinions have favoured interest, and it is now almost universally taken on loans, and a man like John Ruskin, who habitually makes loans without interest, is regarded as very peculiar, if not erratic. But the rate of interest is still generally regulated and limited. . . . Aristotle subordinated strictly the industrial life to the higher life-spheres of society, and in some respects the most advanced political economy is a return to Aristotle.

"Aristotle, like the ancients generally, taught the sinfulness of interest. Money, he said, was barren. One piece of coin cannot beget another piece of coin; hence interest should not be allowed. This is only a part of his argument, but the space is too brief for further presentation. It should, however, be remembered that many of the arguments in favour of interest now heard would not hold for Aristotle's age."

Referring to the Middle Ages the same author says: "The most remarkable writer, from an economic stand-point, as well as from other stand-points, who falls within this period was undoubtedly Thomas Aquinas, of the thirteenth century, the study of whose writings has recently been urged by the Pope. He treated chiefly two economic topics: just price, *justum pretium*, and interest. The conception of just price still lingers, and the doctrine that all interest is sinful was in the sixteenth century modified and became the doctrine that excessive interest is sinful, and usury in later times has meant simply excessive interest, and not any interest at all, as formerly."

In an introduction to Adam Smith's "The Wealth of Nations," appears the following: "In the same connexion Aristotle considers the various ways of money-making, and incidentally refers to the abhorrence of the trade of money-lending, which was universal throughout the ancient world. 'The most hated sort,' he writes, 'of money-making, and with reason, is usury.'"

In the Bible, interest of any kind which, as has been pointed out, was denominated "usury," was considered as a great evil. The Israelites were forbidden the taking of interest from each other, and in the case of poverty it was forbidden even with regard to strangers. In Leviticus, xxv, 35-37, we find the following: "And if thy brother be waxen poor, and fallen in decay with thee; then thou shalt re-

## GILLETTE'S INDUSTRIAL SOLUTION

lieve him; *yea, though he be a stranger, or a sojourner; that he may live with thee:*

*"Take thou no usury of him, or increase; but fear thy God; that thy brother may live with thee.*

*"Thou shalt not give him thy money upon usury, nor lend him thy victuals for increase."*

In "Principles of Scientific Socialism," the Rev. Charles H. Vail says: "Interest is simply a tax or tribute which the owners of capital are enabled, either directly or indirectly, to levy upon productive toil. Both interest and rent are the remuneration of private ownership in the instruments of production, and will disappear when these instruments become social property. Interest and rent are eating up the wealth of the nation. . . . But rent and interest are part and parcel of the private ownership of the means of production, and will remain, so long as these instruments are privately owned. When land and capital become collective property, rent and interest, as well as profits, will naturally and necessarily disappear, and labour will receive the full product of its toil."

In his "The Wealth of Nations," Adam Smith says: "As soon as the land of any country has all become private property, the landlords, like all other men, love to reap where they never sowed, and demand a rent even for its natural produce. The wood of the forest, the grass of the field, and all the natural fruits of the earth, which, when land was in common, cost the labourer only the trouble of gathering them, come, even to him, to have an additional price fixed upon them. He must then pay for the licence to gather them; and must give up to the landlord a portion of what his labour either collects or produces. This portion, or, what comes to the same thing, the price of this portion, constitutes the rent of land, and in the price of the greater part of commodities makes a third component part. . . . Wages, profit, and rent are the three original sources of all revenue as well as of all exchangeable value. All other revenue is ultimately derived from some one or other of these.

"Whoever derives his revenue from a fund which is his own, must draw it either from his labour, from his stock, or from his land. The revenue derived from labour is called wages. That derived from stock, by the person who manages or employs it, is called profit. That derived from it by the person who does not employ it himself, but lends it to another, is called the interest for the use of money. It is the compensation which the borrower pays to the lender, for the profit which he has an opportunity of making by the use of the money. Part of that profit naturally belongs to the borrower, who runs the risk and takes the trouble of employing it; and part to the lender, who affords him the opportunity of making this profit. The interest of money is always a derivative revenue, which, if it is not paid from the profit which is made by the use of the money, must be paid from some other source of revenue, unless perhaps the borrower is a spendthrift, who contracts a second debt in order to pay the interest of the first."

Still another view of the matter is presented by Proudhon who



## GILLETTE'S INDUSTRIAL SOLUTION

says in his "What is Property," "If men, living in equality, should grant to one of their number the exclusive right of property; and this sole proprietor should lend one hundred francs to the human race at compound interest, payable to his descendants twenty-four generations hence,—at the end of six hundred years this sum of one hundred francs, at 5 per cent., would amount to 107,854,010,777,600 francs; two thousand six hundred and ninety-six and one-third times the capital of France (supposing her capital to be 40,000,000,000), or more than twenty times the value of the terrestrial globe!

"Suppose that a man, in the reign of St. Louis, had borrowed one hundred francs, and had refused,—he and his heirs after him,—to return it. Even though it were known that the said heirs were not the rightful possessors, and that prescription had been interrupted always at the right moment,—nevertheless, by our laws, the last heir would be obliged to return the one hundred francs with interest, and interest on the interest; which in all would amount, as we have seen, to nearly one hundred and eight thousand billions.

"Every day, fortunes are growing in our midst much more rapidly than this. The preceding example supposed the interest equal to one-twentieth of the capital,—it often equals one-tenth, one-fifth, one-half of the capital; and sometimes the capital itself. . . . By the third corollary of our axiom, interest tells against the proprietor as well as the stranger. This economical principle is universally admitted. Nothing simpler at first blush; yet, nothing more absurd, more contradictory in terms, or more absolutely impossible.

"The manufacturer, it is said pays himself the rent on his house and capital. *He pays himself*; that is, he gets paid by the public who buys his products. For, suppose the manufacturer, who seems to make this profit on his property, wishes also to make it on his merchandise, can he then pay himself one franc for that which cost him ninety centimes, and make money by the operation? No; such a transaction would transfer the merchant's money from his right hand to his left, but without any profit whatever.

"Now, that which is true of a single individual trading with himself is true also of the whole business world. Form a chain of ten, fifteen, twenty producers; as many as you wish. If the producer A makes a profit out of the producer B, B's loss must, according to economical principles, be made up by C, C's by D; and so on through to Z.

"But by whom will Z be paid for the loss caused him by the profit charged by A in the beginning? *By the consumer*, replies Say. Contemptible equivocation! Is this consumer any other, then, than A, B, C, D, &c., or Z? By whom will Z be paid? If he is paid by A, no one makes a profit; consequently, there is no property. If, on the contrary, Z bears the burden himself, he ceases to be a member of society; since it refuses him the right of property and profit, which it grants to the other associates.

"Since, then, a nation, like universal humanity, is a vast industrial association which cannot act outside of itself, it is clear that no man can enrich himself without impoverishing another. For, in



## GILLETTE'S INDUSTRIAL SOLUTION

order that the right of property, the right of increase, may be respected in the case of A, it must be denied to Z; thus we see how equality of rights, separated from equality of conditions, may be a truth. The iniquity of political economy in this respect is flagrant."

In connexion with the favourite theory that the justification of interest rests in the increased productivity of labour using capital over that of labour working without it, and that, therefore, the labourer is benefited by the transaction, even as the capitalist is benefited; and, furthermore, that the labourer is protected by the alleged fact that interest will always tend to a point at which labour can well afford to pay it, we quote the following from the introduction to Buckle's "History of Civilisation in England," both for its bearing upon interest and upon rent. "To ascertain the precise value of the average rate of wages in India for any long period, is impossible; because, although the amount might be expressed in money, still the value of money, that is, its purchasing power, is subject to incalculable fluctuations, arising from changes in the cost of production. But, for our present purpose, there is a method of investigation which will lead to results far more accurate than any statement could be that depended merely on a collection of evidence respecting the wages themselves. The method is simply this: that inasmuch as the wealth of a country can only be divided into wages, rent, profits, and interest, and inasmuch as interest is on an average an exact measure of profits, it follows that if among any people rent and interest are both high, wages must be low. If therefore, we can ascertain the current interest of money, and the proportion of the produce of the soil which is absorbed by rent, we shall get a perfectly accurate idea of the wages; because wages are the residue, that is, they are what is left to the labourers after rent, profits, and interest have been paid.

"Now it is remarkable, that in India both interest and rent have always been very high. In the *Institutes of Menu*, which were drawn up about B. C. 900, the lowest legal interest for money is fixed at fifteen per cent., the highest at sixty per cent. Nor is this to be considered as a mere ancient law now fallen into disuse. So far from that, the *Institutes of Menu* are still the basis of Indian jurisprudence; and we know on very good authority, that in 1810 the interest paid for the use of money varied from thirty-six to sixty per cent.

"Thus much as to one of the elements of our present calculation. As to the other element, namely, the rent, we have information equally precise and trustworthy. In England and Scotland, the rent paid by the cultivator for the use of land is estimated in round numbers, taking one farm with another, at a fourth of the gross produce. In France, the average proportion is about a third; while in the United States of North America it is well known to be much less, and, indeed, in some parts, to be merely nominal. But in India, the legal rent, that is, the lowest rate recognised by the law and usage of the country, is one-half of the produce; and even this cruel regulation is not strictly enforced, since in many cases rents are raised so high, that

## GILLETTE'S INDUSTRIAL SOLUTION

the cultivator not only receives less than half the produce, but receives so little as to have scarcely the means of providing seed to sow the ground for the next harvest.

"The conclusion to be drawn from these facts is manifest. Rent and interest being always very high, and interest varying, as it must do, according to the rate of profits, it is evident that wages must have been very low; for since there was in India a specific amount of wealth to be divided into rent, interest, profits, and wages, it is clear that the first three could only have been increased at the expense of the fourth; which is saying, in other words, that the reward of the labourers was very small in proportion to the reward received by the upper classes. And though this, being an inevitable inference, does not require extraneous support, it may be mentioned that in modern times, for which alone we have direct evidence, wages have in India always been excessively low, and the people have been, and still are, obliged to work for a sum barely sufficient to meet the exigencies of life."

We believe that a perusal of the foregoing will show that the question of interest is no exception to the general rule that chaos obtains in all departments of political economy. The reason for this is, in large part, the same as already given with regard to other politico-economic departments. The attempt to adjust *social* relations to a *competitive* régime is an attempt to explain a *centripetal* result in terms of a *centrifugal* force. It could not hope for anything but failure. The tendency of competition is to force men apart as far as possible and still permit them to have those relations which are necessary to their very existence. It is only competition which prevents a compact social solidarity with mutual coöperation for its golden rule.

This question of individualism against socialism is the old, old, age-long schism between man and the State; between Athens and Sparta; between state rights and national rights; and its determination is all a matter of the *size* of the *aggregate* which shall be considered of the most importance. The individualist naturally refers everything to an aggregate consisting of one individual, while he who has a developed social sense refers everything to an aggregate composed of many individuals; and just as the preservation of a species is of immensely more importance than the preservation of any individual thereof,—or just as the preservation of a state must take precedence over that of any of its individuals,—so the social aggregate must occupy a higher plane than that of any individual aggregate. In the domain of evolution the more complex and highly specialised structures are of the greatest value in the scheme of existence.

Among the many conflicting views which writers have taken of interest, we think it best first to put before the reader the ablest presentment of each side of the question which has come to our notice. In doing this we offer the name of Henry George in justification of interest, and that of Benjamin R. Tucker for the opposition. We have selected Mr. George, not only because of his remarkable lucidity of statement, but also because his position is so temperate and so



## GILLETTE'S INDUSTRIAL SOLUTION

carefully expounded, that it makes the very best argument in favor of interest that has come to our attention. We have chosen Mr. Tucker in opposition because of an equal lucidity and an extreme thoroughness in his work.

After referring to the various definitions given to the term interest, Mr. George thus defines his own meaning: "It may be worth while, further, to say that interest, as an abstract term in the distribution of wealth, differs in meaning from the word as commonly used, in this: That it includes all returns for the use of capital, and not merely those that pass from borrower to lender; and that it excludes compensation for risk, which forms so great a part of what is commonly called interest. Compensation for risk is evidently only an equalisation of return between different employments of capital. What we want to find is, what fixes the general rate of interest proper? The different rates of compensation for risk added to this will give the current rates of commercial interest."

Clearing the field of some common theories of interest to be found in current political economies, he says: "That they run counter to the facts is evident. That interest does not depend on the productiveness of labour and capital is proved by the general fact that where labour and capital are most productive interest is lowest. That it does not depend reversely upon wages (or the cost of labour), lowering as wages rise, and increasing as wages fall, is proved by the general fact that interest is high when and where wages are high, and low when and where wages are low."

Speaking for the cause of interest in order that he may then seek its law, he says: "What is the reason and justification of interest? Why should the borrower pay back to the lender more than he received? These questions are worth answering, not merely from their speculative, but from their practical importance. The feeling that interest is the robbery of industry is wide-spread and growing, and on both sides of the Atlantic shows itself more and more in popular literature and in popular movements. The expounders of the current political economy say that there is no conflict between labour and capital, and oppose as injurious to labour, as well as to capital, all schemes for restricting the reward which capital obtains; yet in the same works the doctrine is laid down that wages and interest bear to each other an inverse relation, and that interest will be low or high as wages are high or low. Clearly, then, if this doctrine is correct, the only objection that from the stand-point of the labourer can be logically made to any scheme for the reduction of interest is that it will not work, which is manifestly very weak ground while ideas of the omnipotence of legislatures are yet so wide-spread; and though such an objection may lead to the abandonment of any one particular scheme, it will not prevent the search for another.

"Why should interest be? Interest, we are told, in all the standard works, is the reward of abstinence. But, manifestly, this does not sufficiently account for it. Abstinence is not an active, but a passive quality; it is not a doing — it is simply a not doing. Abstinence in itself produces nothing. Why, then, should any part of what is produced be claimed for it? If I have a sum of money which



## GILLETTE'S INDUSTRIAL SOLUTION

I lock up for a year, I have exercised as much abstinence as though I had loaned it. Yet, though in the latter case I will expect it to be returned to me with an additional sum by way of interest, in the former I will have but the same sum, and no increase. But the abstinence is the same. If it be said that in lending it I do the borrower a service, it may be replied that he also does me a service in keeping it safely — a service that under some conditions may be very valuable, and for which I would willingly pay, rather than not have it; and a service which, as to some forms of capital, may be even more obvious than as to money. For there are many forms of capital which will not keep, but must be constantly renewed; and many which are onerous to maintain if one has no immediate use for them. So, if the accumulator of capital helps the user of capital by loaning it to him, does not the user discharge the debt in full when he hands it back? Is not the secure preservation, the maintenance, the re-creation of capital, a complete offset to the use? Accumulation is the end and aim of abstinence. Abstinence can go no further and accomplish no more; nor of itself can it even do this. If we were merely to abstain from using it, how much wealth would disappear in a year! And how little would be left at the end of two years! Hence, if more is demanded for abstinence than the safe return of capital, is not labour wronged? Such ideas as these underlie the wide-spread opinion that interest can only accrue at the expense of labour, and is in fact a robbery of labour which in a social condition based on justice would be abolished.

"The attempts to refute these views do not appear to me always successful."

He then proceeds to analyse Bastiat's oft-quoted illustration of the plane, and points out what he considers the error of his deductions. As we treat this same subject graphically later on, and as it forms a portion of Mr. Tucker's attack upon the current notion of interest, we need not now go more fully into George's treatment of it. Finishing the above-mentioned analysis of the celebrated plane illustration Mr. George significantly remarks: "Is interest, then, natural and equitable? There is nothing in this illustration to show it to be. Evidently what Bastiat (and many others) assigns as the basis of interest, 'the power which exists in the tool to increase the productiveness of labour,' is neither in justice nor in fact the basis of interest. The fallacy which makes Bastiat's illustration pass as conclusive with those who do not stop to analyse it, as we have done, is that with the loan of the plane they associate the transfer of the increased productive power which a plane gives to labour. But this is really not involved. The essential thing which James loaned to William was not the increased power which labour acquires from using planes. To suppose this, we should have to suppose that the making and using of planes was a trade secret or a patent right, when the illustration would become one of monopoly, not of capital. The essential thing which James loaned to William was not the privilege of applying his labour in a more effective way, but the use of the concrete result of ten days' labour. If 'the power which exists in tools to increase the productiveness of labour' were the cause

## GILLETTE'S INDUSTRIAL SOLUTION

of interest, then the rate of interest would increase with the march of invention. This is not so; not yet will I be expected to pay more interest if I borrow a fifty dollar sewing machine than if I borrow fifty dollars worth of needles, if I borrow a steam engine than if I borrow a pile of bricks of equal value. Capital, like wealth, is interchangeable. It is not one thing; it is anything to that value within the circle of exchange. Nor yet does the improvement of tools add to the reproductive power of capital; it adds to the productive power of labour." And then come these most pregnant paragraphs to which we wish to invite especial attention.

"And I am inclined to think that if all wealth consisted of such things as planes, and all production was such as that of carpenters — that is to say, if wealth consisted but of the inert matter of the universe, and production of working up this inert matter into different shapes, that interest would be but the robbery of industry, and could not long exist. This is not to say that there would be no accumulation, for though the hope of increase is a motive for turning wealth into capital, it is not the motive, or at least, not the main motive, for accumulating. Children will save their pennies for Christmas; pirates will add to their buried treasure; Eastern princes will accumulate hoards of coin; and men like Stewart or Vanderbilt, having become once possessed of the passion of accumulating, would continue as long as they could add to their millions, even though the accumulation brought no increase. Nor yet is it to say that there would be no borrowing or lending, for this, to a large extent, would be prompted by mutual convenience. If William had a job of work to be immediately begun and James one that would not commence until ten days thereafter, there might be a mutual advantage in the loan of the plane, though no plank should be given.

"But all wealth is not of the nature of planes, or planks, or money, nor is all production merely the turning into other forms of the inert matter of the universe. It is true that if I put away money, it will not increase. But suppose, instead, I put away wine. At the end of a year I will have an increased value, for the wine will have improved in quality. Or supposing that in a country adapted to them, I set out bees; at the end of a year I will have more swarms of bees, and the honey which they have made. Or, supposing, where there is a range, I turn out sheep, or hogs, or cattle; at the end of the year I will, upon the average, also have an increase.

"Now what gives the increase in these cases is something which, though it generally requires labour to utilise it, is yet distinct and separable from labour — the active power of nature; the principle of growth, of reproduction, which everywhere characterises all the forms of that mysterious thing or condition which we call life. And it seems to me that it is this which is the cause of interest, or the increase of capital over and above that due to labour. There are, so to speak, in the movements which make up the everlasting flux of nature, certain vital currents, which will, if we use them, aid us, with a force independent of our own efforts, in turning matter into the forms we desire — that is to say, into wealth.

"While many things might be mentioned which, like money, or



## GILLETTE'S INDUSTRIAL SOLUTION

planes, or planks, or engines, or clothing, have no innate power of increase, yet other things are included in the terms wealth and capital which, like wine, will of themselves increase in quality up to a certain point; or, like bees or cattle, will of themselves increase in quantity; and certain other things, such as seeds, which, though the conditions which enable them to increase may not be maintained without labour, yet will, when these conditions are maintained, yield an increase, or give a return over and above that which is to be attributed to labour.

"Now the interchangeability of wealth necessarily involves an average between all the species of wealth of any special advantage which accrues from the possession of any particular species, for no one would keep capital in one form when it could be changed into a more advantageous form. No one, for instance, would grind wheat into flour and keep it on hand for the convenience of those who desire from time to time to exchange wheat or its equivalent for flour, unless he could by such exchange secure an increase equal to that which, all things considered, he could secure by planting his wheat. No one, if he could keep them, would exchange a flock of sheep now for their net weight in mutton to be returned next year; for by keeping the sheep he would not only have the same amount of mutton next year, but also the lambs and the fleeces. No one would dig an irrigating ditch, unless those who by its aid are enabled to utilise the reproductive forces of nature would give him such a portion of the increase they receive as to make his capital yield him as much as theirs. And so, in any circle of exchange, the power of increase which the reproductive or vital force of nature gives to some species of capital must average with all; and he who lends or uses in exchange, money, or planes, or bricks, or clothing, is not deprived of the power to obtain an increase, any more than if he had lent or put to a reproductive use so much capital in a form capable of increase."

Mr. George further calls attention to the effects of exchange as offering a kindred advantage to that of Nature's increase and cites Whittington's cat, which, shipped to a distant country where cats were scarce and rats were plenty, returned in bales of goods and bags of gold. So vividly does Mr. George state his case that we feel extremely loth to alter his phraseology lest we weaken his presentment of it. For this reason we quote him at considerable length.

Recurring to the plane-illustration he says: "It is evident that if there is any reason why William at the end of the year should return to James more than an equally good plane, it does not spring, as Bastiat has it, from the increased power which the tool gives to labour, for that, as I have shown, is not an element; but it springs from the element of time—the difference of a year between the lending and return of the plane. Now, if the view is confined to the illustration, there is nothing to suggest how this element should operate, for a plane at the end of the year has no greater value than a plane at the beginning. But if we substitute for the plane a calf, it is clearly to be seen that to put James in as good a position

## GILLETTE'S INDUSTRIAL SOLUTION

as if he had not lent, William at the end of the year must return, not a calf, but a cow. Or, if we suppose that the ten days' labour had been devoted to planting corn, it is evident that James would not have been fully recompensed if at the end of the year he had received simply so much planted corn, for during the year the planted corn would have germinated and grown and multiplied; and so if the plane had been devoted to exchange, it might during the year have been turned over several times, each exchange yielding an increase to James. Now, therefore, as James' labour might have been applied in any of those ways—or what amounts to the same thing, some of the labour devoted to making planes might be thus transferred—he will not make a plane for William to use for the year unless he gets back more than a plane. And William can afford to give back more than a plane, because the same general average of the advantages of labour applied in different modes will enable him to obtain from his labour an advantage from the element of time. It is this general averaging, or as we may say, 'pooling' of advantages, which necessarily takes place where the exigencies of society require the simultaneous carrying on of the different modes of production, which gives to the possession of wealth incapable in itself of increase an advantage similar to that which attaches to wealth used in such a way as to gain from the element of time. And, in the last analysis, the advantage which is given by the lapse of time springs from the generative force of nature and the varying powers of nature and of man.

"Were the quality and capacity of matter everywhere uniform, and all productive power in man, there would be no interest. The advantage of superior tools might at times be transferred on terms resembling the payment of interest, but such transactions would be irregular and intermittent—the exception not the rule. For the power of obtaining such returns would not, as now, inhere in the possession of capital, and the advantage of time would only operate in peculiar circumstances. That I, having a thousand dollars, can certainly let it out at interest, does not arise from the fact that there are others, not having a thousand dollars, who will gladly pay me for the use of it, if they can get it no other way; but from the fact that the capital which my thousand dollars represents has the power of yielding an increase to whoever has it, even though he be a millionaire. For the price which anything will bring does not depend upon what the buyer would be willing to give rather than go without it, so much as upon what the seller can otherwise get. For instance, a manufacturer who wishes to retire from business has machinery to the value of \$100,000. If he cannot, should he sell, take this \$100,000 and invest it so that it will yield him interest, it will be immaterial to him, risk being eliminated, whether he obtains the whole price at once or in installments, and if the purchaser has the requisite capital, which we must suppose in order that the transaction may rest on its own merits, it will be immaterial whether he pay at once or after a time. If the purchaser has not the required capital, it may be to his convenience that payments should be delayed, but it would be only in exceptional circumstances



## GILLETTE'S INDUSTRIAL SOLUTION

that the seller would ask, or the buyer would consent, to pay any premium on this account; nor in such cases would this premium be properly interest. For interest is not properly a payment made for the use of capital, but a return accruing from the increase of capital. If the capital did not yield an increase, the cases would be few and exceptional in which the owner would get a premium. William would soon find out if it did not pay him to give a plank for the privilege of deferring payment on James' plane."

Speaking of the distribution of the returns which come from the coöperation of labour and capital he says: "Primarily, the benefits which arise from use go to labour, and the benefits which arise from increase, to capital. But, inasmuch as the division of labour and the interchangeability of wealth necessitate and imply an averaging of benefits, in so far as these different modes of production correlate with each other, the benefits that arise from one will average with the benefits that arise from the others, for neither labour nor capital will be devoted to any mode of production while any other mode which is open to them will yield a greater return. That is to say, labour expended in the first mode of production will get, not the whole return, but the return minus such part as is necessary to give to capital such an increase as it could have secured in the other modes of production, and capital engaged in the second and third modes will obtain, not the whole increase, but the increase minus what is sufficient to give to labour such reward as it could have secured if expended in the first mode."

Summing up his case he offers the following paragraphs to which we invite most careful attention as they will assist us in clearly joining the issue.

"Thus interest springs from the power of increase which the reproductive forces of nature, and the in effect analogous capacity for exchange, give to capital. It is not an arbitrary, but a natural thing; it is not the result of a particular social organisation, but of laws of the universe which underlie society. It is, therefore, just.

"They who talk about abolishing interest fall into an error similar to that previously pointed out as giving its plausibility to the doctrine that wages are drawn from capital. When they thus think of interest, they think only of that which is paid by the user of capital to the owner of capital. But, manifestly, this is not all interest, but only some interest. Whoever uses capital and obtains the increase it is capable of giving receives interest. If I plant and care for a tree until it comes to maturity, I receive, in its fruit, interest upon the capital I have thus accumulated—that is, the labour I have expended. If I raise a cow, the milk which she yields me, morning and evening, is not merely the reward of the labour then exerted; but interest upon the capital which my labour, expended in raising her, has accumulated in the cow. And so, if I use my own capital in directly aiding production, as by machinery, or in indirectly aiding production, in exchange, I receive a special and distinguishable advantage from the reproductive character of capital, which is as real, though perhaps not as clear, as though I had lent my capital to another and he had paid me interest."

## CHAPTER XXVII



Whenever a pioneer in Nebraska opens up a farm, he increases the price of Chicago real estate. When a missionary in Central Africa organizes a school and teaches the native children the arts of civilization, he is swelling the ground rents in London and adding to the receipts of Broadway franchises.

*John Turner White.*

Private capitalism has been compared to a three-horned bull, the horns being rent, profit, and interest, differing in comparative length and strength according to the age of the animal.

*Edward Bellamy — Equality.*

A multi-millionaire is building a house in New York city at a cost, it is said, of \$4,000,000. This expenditure by one individual for a home represents the labour of one man, if reckoned at \$4 per day, for three thousand three hundred years.

*O. C. Hitchcock.*

Little wonder that the rich are rapidly growing richer when, though but 1/20th of the nation's families, they are drawing to themselves 1/3 of the nation's annual production, and 2/3 of its annual increase of wealth.

*Waldron.*

Man, to be such and such, requires such and such things, and evolves them as naturally as the sea-beast makes its shell. It grows from him — so do our manufactures grow from us. Society secretes, as it were, the manufactured article. We need clothes, for instance, a purely social need. The individual animal does not need clothes. He carries his wardrobe on his back. Never a solitary creature in clothes. Clothes are for other people more than the wearer. Other people are required to make them. Even in a one-generation-reversion, as of some hunting hermit of modern times,—back he goes to buckskin! He cannot shear and card, weave and spin, bleach and dye, cut and sew. Back he goes to borrow some other animal's skin; and if he stayed a hunting hermit for enough generations, back would he go to his own skin and its natural growth of hair.

*Charlotte Perkins Gilman — Human Work.*

## CHAPTER XXVII



WE submit that the view of Henry George, as given in the foregoing chapter, is an extremely clear statement of the most charitable conception which it is possible to form of interest. We have stated it at length for the reason that we shall attempt to show that it will not stand unprejudiced and logical examination. Indeed, we shall point out what seems to us a most singular nonsequitur in the great philosopher's reasoning. Before ourselves challenging any of Mr. George's conclusions, however, let us hear the other side as represented by Mr. Benjamin R. Tucker. In offering this gentleman's views as set forth in his "Instead of a Book," a volume composed of articles taken from "Liberty," a periodical formerly edited by him, the reader must bear in mind that these views are not all called forth by, or directed against, those held by Mr. George.

"Instead of a Book," exhibits a wide catholicity of attack and is the result of an intellect so logical and so fearless, armed withal with an expressive technique so clear and poignant, that its postulates present to the opposition such a stubborn front that they are seldom successfully combated. We copy some of the most salient portions of the articles bearing upon interest beginning, since we have just considered Mr. George's views, with Mr. Tucker's criticism thereof. This was published in "Liberty" under the caption "Economic Hodge-Podge." After some comments upon the considerations which gave rise to the article in the "Standard" which called forth this reply from "Liberty," Mr. Tucker says: "The matter seems, too, to have taken on importance, as it is now acknowledged that 'the theory of interest as propounded by Mr. George has been more severely and plausibly criticised than any other phase of the economic problem as he presents it.' When we consider that George regards it as an economic law that interest varies inversely with so important a thing as rent, we see that he cannot consistently treat as unimportant any 'plausible' argument urged in support of the theory that interest varies principally, not with rent, but with the economic conditions arising from a monopoly of the currency.

"But, however the article may be accounted for, it is certainly before us, and Mr. George (through his sub-editor, Louis F. Post, for whose words in the 'Queries and Answers' department he may fairly be held responsible), is discussing the interest question. We will see what he has to say.

"It appears that all the trouble of the enemies of interest grows out of their view of it as exclusively incidental to borrowing and lending, whereas interest on borrowed capital is itself 'incidental to real interest,' which is 'the increase that capital yields irrespective



## GILLETTE'S INDUSTRIAL SOLUTION

of borrowing and lending.' This increase, Mr. George claims, is the work of time, and from this premise he reasons as follows:

"The labourer who has capital ready when it is wanted, and thus, by saving time in making it, increases production, will get and ought to get some consideration,—higher wages, if you choose, or interest, as we call it,—just as the skilful printer who sets fifteen hundred ems an hour will get more for an hour's work than the less skilful printer who sets only a thousand. In the one case greater power due to skill, and in the other greater power due to capital, produce greater results in a given time; and in neither case is the increased compensation a deduction from the earnings of other men.'

"To make this analogy a fair one it must be assumed that skill is a product of labour, that it can be bought and sold, and that its price is subject to the influence of competition; otherwise, it furnishes no parallel to capital. With these assumptions the opponent of interest eagerly seizes upon the analogy as entirely favourable to his own position and destructive of Mr. George's. If the skilful printer produced his skill and can sell it, and if other men can produce similar skill and sell it, the price that will be paid for it will be limited, under free competition, by the cost of production, and will bear no relation to the extra five hundred ems an hour. The case is precisely the same with capital. Where there is free competition in the manufacture and sale of spades, the price of a spade will be governed by the cost of its production, and not by the value of the extra potatoes which the spade will enable its purchaser to dig. Suppose, however, that the skilful printer enjoyed a monopoly of skill. In that case, its price would no longer be governed by the cost of production, but by its utility to the purchaser, and the monopolist would exact nearly the whole of the extra five hundred ems, receiving which hourly he would be able to live for the rest of his life without ever picking up a type. Such a monopoly as this is now enjoyed by the holders of capital in consequence of the currency monopoly, and this is the reason, and the only reason, why they are able to tax borrowers nearly up to the limit of the advantage which the latter derive from having the capital. In other words, increase which is purely the work of time bears a price only because of monopoly. Abolish the monopoly, then, and what becomes of Mr. George's 'real interest' except as a benefit enjoyed by all consumers in proportion to their consumption? As far as the owner of the capital is concerned, it vanishes at once, and Mr. George's wonderful distinction with it.

"He tells us, nevertheless, that the capitalist's share of the results of the increased power which capital gives the labourer is 'not a deduction from the earnings of other men.' Indeed! What are the normal earnings of other men? Evidently what they can produce with all the tools and advantages which they can procure *in a free market* without force or fraud. If, then, the capitalist, by abolishing the free market, compels other men to procure their tools and advantages of him on less favourable terms than they could get before, while it may be better for them to come to his

## GILLETTE'S INDUSTRIAL SOLUTION

terms than to go without the capital, does he not deduct from their earnings?

"But let us hear Mr. George further in regard to the great value of time to the idler.

"Suppose a natural spring free to all, and that Hodge carries a pail of water from it to a place where he can build a fire and boil the water. Having hung a kettle and poured the water into it, and arranged the fuel and started the fire, he has by his labour set natural forces at work in a certain direction; and they are at work for him alone, because without his previous labour they would not be at work in that direction at all. Now he may go to sleep, or run off and play, or amuse himself in any way that he pleases; and when an hour—a period of time—shall have elapsed, he will have, instead of a pail of cold water, a pot of boiling water. Is there no difference in value between that boiling water and the cold water of an hour before? Would he exchange the pot of boiling water for a pail of cold water, even though the cold water were in the pot and the fire started? Of course not, and no one would expect him to. And yet between the time when the fire is started and the time when the water boils he does no work. To what, then, is that difference in value due? Is it not clearly due to the element of time? Why does Hodge demand more than a pail of cold water for the pot of boiling water if it is not that the ultimate object of his original labour—the making of tea, for example—is nearer complete than it was an hour before, and that an even exchange of boiling water for cold water would delay him an hour, to which he will not submit unless he is paid for it? And why is Podge willing to give more than a pail of cold water for the pot of boiling water, if it is not that it gives him the benefit of an hour's time in production, and thus increases his productive power very much as greater skill would? And if Podge gives to Hodge more than a pail of cold water for the pot of boiling water, does Podge lose anything that he had, or Hodge gain anything that he had not? No. The effect of the transaction is a transfer for a consideration of the advantage in point of time that Hodge had, to Podge who had it not, as if a skilful compositor should, if he could, sell his skill to a less skilful member of the craft."

"We will look a little into this economic Hodge-Podge.

"The illustration is vitiated from beginning to end by the neglect of the most important question involved in it,—namely, whether Hodge's idleness during the hour required for the boiling of the water is a matter of choice or of necessity. It was necessary to leave this out in order to give time the credit of the boiling of the water. Let us not leave it out, and see what will come of it. If Hodge's idleness is a matter of necessity, it is equivalent, from the economic standpoint, to labour, and counts as labour in the price of the boiling water. A storekeeper may spend only five hours in waiting *on* his customers, but, as he has to spend another five hours in waiting *for* them, he gets paid by them for ten hours' labour. His five hours idleness counts as labour, because, to accommodate his customers, he has to give up what he could produce in those



## GILLETTE'S INDUSTRIAL SOLUTION

five hours if he could labour in them. Likewise, if Hodge, when boiling water for Podge, is obliged to spend an hour in idleness, he will charge Podge for the hour in the price which he sets on the boiling water. But it is Hodge himself, this disposition of himself, and not the abstraction, time, that gives the water its exchangeable value. The abstraction, time, is as truly at work when Hodge is bringing the water from the spring and starting the fire as when he is asleep waiting for the water to boil; yet Mr. George would not dream of attributing the value of the water after it had been brought from the spring to the element of time. He would say that it was due entirely to the labour of Hodge. Properly speaking, time does not work at all, but, if the phrase is to be insisted on in economic discussion, it can be admitted only with some such qualification as the following: The services of time are venal only when rendered through human forces; when rendered exclusively through the forces of nature, they are gratuitous.

"That time does not give the boiling water any exchangeable value becomes still more evident when we start from the hypothesis that Hodge's idleness, instead of being a matter of necessity, is a matter of choice. In that case, if Hodge chooses to be idle, and still tries, in selling the boiling water to Podge, to charge him for this unnecessary idleness, the enterprising Dodge will step up and offer boiling water to Podge at a price lower than Hodge's, knowing that he can afford to do so by performing some productive labour while waiting for the water to boil, instead of loafing like Hodge. The effect of this will be that Hodge himself will go to work productively, and then will offer Podge a better bargain than Dodge has proposed, and so competition between Hodge and Dodge will go on until the price of the boiling water to Podge shall fall to the value of the labour expended by either Hodge or Dodge in bringing the water from the spring and starting the fire. Here, then, the exchangeable value of the boiling water which was said to be due to time has disappeared, and yet it takes just as much time to boil the water as it did in the first place.

"Mr. George gets into difficulty in discussing this question of the increase of capital simply because he continually loses sight of the fact that competition lowers prices to the cost of production and thereby distributes this so-called product of capital among the whole people. He does not see that capital in the hands of labour is but the utilisation of a natural force or opportunity, just as land is in the hands of labour, and that it is as proper in the one case as in the other that the benefits of such utilisation of natural forces should be enjoyed by the whole body of consumers.

"Mr. George truly says that rent is the price of monopoly. Suppose, now, that some one should answer him thus: You misconceive; you clearly have leasing exclusively in mind, and suppose an unearned bonus for a lease, whereas rent of leased land is merely incidental to real rent, which is the superiority in location or fertility of one piece of land over another, irrespective of leasing. Mr. George would laugh at such an argument if offered in justifica-

## GILLETTE'S INDUSTRIAL SOLUTION

tion of the receipt and enjoyment of unearned increment or economic rent by the landlord. But he himself makes an equally ridiculous and precisely parallel argument in defence of the usurer when he says, in answer to those who assert that interest is the price of monopoly: 'You misconceive; you clearly have borrowing and lending exclusively in mind, and suppose an unearned bonus for a loan, whereas interest on borrowed capital is merely incidental to real interest, which is the increase that capital yields, irrespective of borrowing and lending.'

"The truth in both cases is just this,—that nature furnishes man immense forces with which to work in the shape of land and capital, that in a state of freedom these forces benefit each individual to the extent that he avails himself of them, and that any man or class getting a monopoly of either or both will put all other men in subjection and live in luxury on the products of their labour. But to justify a monopoly of either of these forces by the existence of the force itself, or to argue that without a monopoly of it any individual could get an income by lending it instead of by working with it, is equally absurd whether the argument be resorted to in the case of land or in the case of capital, in the case of rent or in the case of interest. If any one chooses to call the advantages of these forces to mankind rent in one case and interest in the other, I do not know that there is any serious objection to his doing so, provided he will remember that in practical economic discussion rent stands for the absorption of the advantages of land by the landlord, and interest for the absorption of the advantages of capital by the usurer.

"The remainder of Mr. George's article rests entirely upon the time argument. Several new Hodge-Podge combinations are supposed by way of illustration, but in none of them is there any attempt to justify interest except as a reward of time. The inherent absurdity of this justification having been demonstrated above, all that is based upon it falls with it. The superstructure is a logical ruin; it remains only to clear away the *debris*.

"Hodge's boiling water is made a type of all those products of labour which afterwards increase in utility purely by natural forces, such as cattle, corn, etc.; and it may be admitted that, if time would add exchangeable value to the water while boiling, it would do the same to corn while growing, and cattle while multiplying. But that it would do so under freedom has already been disproved. Starting from this, however, an attempt is made to find in it an excuse for interest on products which do not improve except as labour is applied to them, and even on money itself. Hodge's grain, after it has been growing for a month, is worth more than when it was first sown; therefore Podge, the shovel-maker, who supplies a market which it takes a month to reach, is entitled to more pay for his shovels at the end of that month than he would have been had he sold them on the spot immediately after production; and therefore the banker who discounts at the time of production the note of Podge's distant customer maturing a month later, thereby advancing



## GILLETTE'S INDUSTRIAL SOLUTION

ready money to Podge, will be entitled, at the end of the month, from Podge's customer, to the extra value which the month's time is supposed to have added to the shovels.

"Here Mr. George not only builds on a rotten foundation, but he mistakes foundation for superstructure. Instead of reasoning from Hodge to the banker he should have reasoned from the banker to Hodge. His first inquiry should have been how much, in the absence of a monopoly in the banking business, the banker could get for discounting for Podge the note of his customer; from which he could then have ascertained how much extra payment Podge could get for his month's delay in the shovel transaction, or Hodge for the services of time in ripening his grain. He would then have discovered that the banker, who invests little or no capital of his own, and, therefore, lends none to his customers, since the security which they furnish him constitutes the capital upon which he operates, is forced, in the absence of money monopoly, to reduce the price of his services to labour cost, which the statistics of the banking business show to be much less than one per cent. As this fraction of one per cent. represents simply the banker's wages and incidental expenses, and is not payment for the use of capital, the element of interest disappears from his transactions. But, if Podge can borrow money from the banker without interest, so can Podge's customer; therefore, should Podge attempt to exact from his customer remuneration for the month's delay, the latter would at once borrow the money and pay Podge spot cash. Furthermore Podge, knowing this, and being able to get ready money easily himself, and desiring, as a good man of business, to suit his customer's convenience, would make no such attempt. So Podge's interest is gone as well as the banker's. Hodge, then, is the only usurer left. But is any one so innocent as to suppose that Dodge, or Lodge, or Modge will long continue to pay Hodge more for his grown grain than his sown grain, after any or all of them can get land free of rent and money free of interest, and thereby force time to work for them as well as for Hodge? Nobody who can get the services of time for nothing will be such a fool as to pay Hodge for them. Hodge, too, must say farewell to his interest as soon as the two great monopolies of land and money are abolished. *The rate of interest on money fixes the rate of interest on all other capital the production of which is subject to competition, and when the former disappears the latter disappears with it.*

"Presumably to make his readers think that he has given due consideration to the important principle just elucidated, Mr. George adds, just after his hypothesis of the banker's transaction with Podge:

"Of course there is discount *and* discount. I am speaking of a legitimate economic banking transaction. But frequently bank discounts are nothing more than taxation, due to the choking up of free exchange, in consequence of which an institution that controls the common medium of exchange can impose arbitrary conditions upon producers who must immediately use that common medium."

"The evident purpose of the word 'frequently' here is to carry

## GILLETTE'S INDUSTRIAL SOLUTION

the idea that, when a bank discount is a tax imposed by monopoly of the medium of exchange, it is simply a somewhat common exception to the general rule of 'legitimate economic banking transactions.' For it is necessary to have such a general rule in order to sustain the theory of interest on capital as a reward of time. The exact contrary, however, is the truth. Where money monopoly exists, it is the rule that bank discounts are taxes imposed by it, and when, in consequence of peculiar and abnormal circumstances, discount is not in the nature of a tax, it is a rare exception. The abolition of money monopoly would wipe out discount as a tax and, by adding to the steadiness of the market, make the cases where it is not a tax even fewer than now. Instead of legitimate, therefore, the banker's transaction with Podge, being exceptional in a free money market and a tax of the ordinary discount type in a restricted money market, is illegitimate if cited in defence of interest as a normal economic factor.

"In the conclusion of his article Mr. George strives to show that interest would not enable its beneficiaries to live by the labour of others. But he only succeeds in showing, though in a very obscure, indefinite, and intangible fashion,—seemingly afraid to squarely enunciate it as a proposition,—that where there is no monopoly there will be little or no interest. Which is precisely our contention. But why, then, his long article? If interest will disappear with monopoly, what will become of Hodge's reward for his time? If, on the other hand, Hodge is to be rewarded for his mere time, what will reward him save Podge's labour? There is no escape from this dilemma. The proposition that the man who for time spent in idleness receives the product of time employed in labour is a parasite upon the body industrial is one which an expert necromancer like Mr. George may juggle with before an audience of gaping Hodges and Podes, but can never successfully dispute with men who understand the rudiments of political economy."

We have quoted the above at considerable length because we believe it to be a flat refutation of the Henry George theory of the justice of interest.

Treating this same subject of interest, and replying to an article by J. L. M. Babcock, "Liberty" says in part: "Now to the question proper. Labour, says our friend, never gains anything by extravagant claims. True; and no claim is extravagant that does not exceed justice. But it is equally true that labour always loses by foolish concessions; and in this industrial struggle every concession is foolish that falls short of justice. It is to be decided, then, not whether *Liberty's* claim for labour is extravagant, but whether it is just. 'Whatever contributes to production is entitled to an equitable share in the distribution!' Wrong! *Whoever* contributes to production is alone so entitled. *What* has no rights that *Who* is bound to respect. *What* is a thing. *Who* is a person. Things have no claims; they exist only to be claimed. The possession of a right cannot be predicated of dead material, but only of a living person. 'In the production of a loaf of bread, the plough performs an important service, and equitably comes in for a share of



## GILLETTE'S INDUSTRIAL SOLUTION

the loaf.' Absurd! A plough cannot own bread, and, if it could, would be unable to eat it. A plough is a *What*, one of those things above mentioned, to which no rights are attributable.

"Oh! but we see. 'Suppose one man spends his life in making ploughs to be used by others who sow and harvest wheat. If he furnishes his ploughs only on condition that they be returned to him in as good state as when taken away, how is he to get his bread?' It is the maker of the plough, then, and not the plough itself, that is entitled to a reward? *What* has given place to *Who*. Well, we'll not quarrel over that. The maker of the plough certainly is entitled to pay for his work. Full pay, paid once; no more. That pay is the plough itself, or its equivalent in other marketable products, said equivalent being measured by the amount of labour employed in their production. But if he lends his plough and gets only his plough back, how is he to get his bread? asks Mr. Babcock, much concerned. Ask us an easy one, if you please. We give this one up. But why should he lend his plough? Why does he not sell it to the farmer, and use the proceeds to buy bread of the baker? See, Mr. Babcock? If the lender of the plough 'receives nothing more than his plough again, he receives nothing for the product of his own labour, and is on the way to starvation.' Well, if the fool will not sell his plough, let him starve. Who cares? It's his own fault. How can he expect to receive anything for the product of his own labour if he refuses to permanently part with it? Does Mr. Babcock propose to steadily add to this product at the expense of some labourer, and meanwhile allow this idler, who has only made a plough, to loaf on in luxury, for the balance of his life, on the strength of his one achievement? Certainly not, when our friend understands himself. And then he will say with us that the slice of bread which the plough-lender should receive can be neither large nor small, but must be nothing."

We cannot forbear in this connexion to extract the following signed "Apex," which appeared in "Liberty," November 26, 1881, under the title "Usury": "Paying money for the use of money is a great and barbarous wrong. It is also a stupendous absurdity. No one man can use money. The use of money involves its transfer from one to another. Therefore, as no one man can use money, it cannot be right and proper for any man to pay for the use of that which he cannot use. The people do use money; consequently, they should pay whatever the money may cost.

"Money is necessarily a thing which belongs to society. This is one of the great truths of civilisation which has been generally overlooked. For this whole question of the rightfulness of interest turns on the question, 'What is money?' So long as the people shall continue to consider money as a thing of itself objectively — why, there is no hope for humanity.

"All wealth is the product of labour, but no labour can produce money. There can be no money until some wealth has been produced, because money is a representative of wealth.

"Money is a form of credit — credit in circulation. It is not a thing of substance. The great object of money is to exchange

## GILLETTE'S INDUSTRIAL SOLUTION

values. Now, value is an idea, and money is used to represent, count, and exchange values. The symbol or token of money is not the money itself. Therefore, as money is not a thing of substance, and cannot wear out, it is and ever must be a great wrong and an utter absurdity to give wealth for the use of an idea.

"In equity compensation implies service or labour, and as money does not cost labour, why, labour cannot justly be demanded for its use.

"But let us look at it practically. The people use money; the people furnish the money; and, if the cost of issue is paid, there can be no other expense. The great difficulty touching this whole matter is a barbarous misconception of the nature of money and a more barbarous disposition to monopolise power and rob the weak. For—let us ask—who pays the great tax of interest? Not those who have and handle the money; not those who use the money; but the poor, the weak, the ignorant, the dupes of the ruling class. We can illustrate this by a fact of to-day. If five or more men having one hundred thousand dollars, *and no more*, organise and establish a national bank, just so soon as their bank is in operation they have the use and income of one hundred and ninety thousand dollars. Now, is it not clear that, this company having got ninety thousand dollars for nothing, somebody has lost that amount? For, if one man gets a dollar that he has not earned, some other man has earned a dollar that he has not got. That is as certain as that two and two make four.

"If all men could use their own credit in the form of money, there could be no such thing as interest. Yet, to put this idea into practice, there must be organisation and consolidation of credit. Commercial credit, to be good, must be known to be good. A man's credit may be good to the extent of a thousand dollars, but, that fact not being generally known, he must, as things are, exchange his credit for that which is known to be good, and pay a monopoly price for the privilege of using his own credit in the form of money.

"Let us remember that no man can borrow money, as a good business transaction, under any system, unless he has required security to make the lender whole in case he should lose the money. What a stupendous wrong is this—that a man having credit cannot use it, but must exchange it and pay a monopoly price, which is really for the privilege of using his own credit!

"And again, he cannot pay this himself, but must compel the poor man to work out this tax; the latter must pay this interest in the enhanced price of goods. I wonder if the people will always be thus blind and stupid."

In connexion with a criticism of an article on interest which appeared in "To-day," "Liberty" has the following interesting lines which are well worthy attention: "This raises a question which I have asked hundreds of times of defenders of interest and which has invariably proved a 'poser.' I will now put it to the editor of *To-day*. A is a farmer owning a farm. He mortgages his farm to a bank for \$1,000, giving the bank a mortgage note for that sum



## GILLETTE'S INDUSTRIAL SOLUTION

and receiving in exchange the bank's notes for the same sum, which are secured by the mortgage. With the bank-notes A buys farming tools of B. The next day B uses the notes to buy of C the materials used in the manufacture of tools. The day after, C in turn pays them to D in exchange for something that he needs. At the end of a year, after a constant succession of exchanges, the notes are in the hands of Z, a dealer in farm produce. He pays them to A, who gives in return \$1,000 worth of farm products which he has raised during the year. Then A carries the notes to the bank, receives in exchange for them his mortgage note, and the bank cancels the mortgage. Now, in this whole circle of transactions, has there been any lending of capital? If so, who was the lender? If not, who is entitled to any interest? I call upon the editor of *To-day* to answer this question. It is needless to assure him that it is vital."

We have referred on several occasions to Bastiat's plane illustration and we think it well in this connexion to offer the following from John Ruskin's "Letters to British Workmen": "What you call 'wages,' practically, is the quantity of food which the possessor of the land gives you to work for him. There is, finally, no 'capital' but that. If all the money of all the capitalists in the whole world were destroyed — the notes and bills burnt, the gold irrecoverably buried, and all the machines and apparatus of manufactures crushed, by a mistake in signals, in one catastrophe — and nothing remained but the land, with its animals and vegetables, and buildings for shelter — the poorer population would be very little worse off than they are at this instant; and their labour, instead of being 'limited' by the destruction, would be greatly stimulated. They would feed themselves from the animals and growing crop; heap here and there a few tons of ironstone together, build rough walls around them to get a blast, and in a fortnight they would have iron tools again, and be ploughing and fighting, just as usual. It is only we who had the capital who would suffer; we should not be able to live idle, as we do now, and many of us — I, for instance — should starve at once; but you, though little the worse, would none of you be the better eventually for our loss — or starvation. The removal of superfluous mouths would indeed benefit you somewhat for a time; but you would soon replace them with hungrier ones; and there are many of us who are quite worth our meat to you in different ways, which I will explain in due place; also I will show you that our money is really likely to be useful to you in its accumulated form (besides that, in the instances when it has been won by work, it justly belongs to us), so only that you are careful never to let us persuade you into borrowing it and paying us interest for it. You will find a very amusing story, explaining your position in that case, at the one hundred and seventeenth page of the 'Manual of Political Economy,' published this year at Cambridge, for your early instruction, in an almost devotionally catechetical form, by Messrs. Macmillan.

"Perhaps I had better quote it to you entire; it is taken by the author 'from the French.'

## GILLETTE'S INDUSTRIAL SOLUTION

"There was once in a village a poor carpenter who worked hard from morning till night. One day James thought to himself, 'With my hatchet, saw, and hammer I can only make coarse furniture, and can only get the pay for such. If I had a plane, I should please my customers more, and they would pay me more. Yes, I am resolved I will make myself a plane.' At the end of ten days James had in his possession an admirable plane which he valued all the more for having made it himself. Whilst he was reckoning all the profits which he expected to derive from the use of it, he was interrupted by William, a carpenter in the neighboring village. William, having admired the plane, was struck with the advantages which might be gained from it. He said to James:

"You must do me a service; lend me the plane for a year.' As might be expected, James cried out, 'How can you think of such a thing, William? Well, if I do you this service, what will you do for me in return?'

"W. 'Nothing. Don't you know that a loan ought to be gratuitous?'

"J. 'I know nothing of the sort; but I do know that if I were to lend you my plane for a year, it would be giving it to you. To tell you the truth, that was not what I made it for.'

"W. 'Very well, then; I ask you to do me a service; what service do you ask me in return?'

"J. 'First, then, in a year the plane will be done for. You must therefore give me another exactly like it.'

"W. 'That is perfectly just. I submit to these conditions. I think you must be satisfied with this, and can require nothing further.'

"J. 'I think otherwise. I made the plane for myself, and not for you. I expected to gain some advantage from it. I have made the plane for the purpose of improving my work and my condition; if you merely return it to me in a year, it is you who will gain the profit of it, during the whole of that time. I am not bound to do you such a service without receiving anything in return. Therefore, if you wish for my plane besides the restoration already bargained for, you must give me a new plank as a compensation for the advantages of which I shall be deprived.'

"These terms were agreed to, but the singular part of it is that at the end of the year, when the plane came into James's possession, he lent it again; recovered it, and lent it a third and fourth time. It has passed into the hands of his son, who still lends it. Let us examine this little story. The plane is the symbol of all capital, and the plank is the symbol of all interest.'

"If this be an abridgment, what a graceful piece of highly-wrought literature the original story must be! I take the liberty of abridging it a little more.

"James makes a plane, lends it to William on 1st of January for a year. William gives him a plank for the loan of it, wears it out, and makes another for James, which he gives him on 31st December. On 1st January he again borrows the new one; and the arrangement is repeated continuously. The position of William



## GILLETTE'S INDUSTRIAL SOLUTION

therefore is that he makes a plane every 31st of December, lends it to James till the next day, and pays James a plank annually for the privilege of lending it to him on that evening. This, in future investigations of capital and interest, we will call, if you please, 'The Position of William.'

"You may not at the first glance see where the fallacy lies (the writer of the story evidently counts on your not seeing it at all).

"If James did not lend the plane to William, he could only get his gain of a plank by working with it himself and wearing it out himself. When he had worn it out at the end of the year, he would, therefore, have to make another for himself. William, working with it instead, gets the advantage instead, which he must, therefore, pay James his plank for; and return to James what James would, if he had not lent his plane, then have had — not a new plane, but the worn-out one. James must make a new one for himself, as he would have had to do if no William had existed; and if William likes to borrow it again for another plank, all is fair.

"That is to say, clearing the story of its nonsense, that James makes a plane annually and sells it to William for its proper price, which, in kind, is a new plank. But this arrangement has nothing whatever to do with principal or with interest. There are, indeed, many very subtle conditions involved in any sale; one among which is the value of ideas; I will explain that value to you in the course of time (the article is not one which modern political economists have any familiarity with dealings in), and I will tell you somewhat also of the real nature of interest; but if you will only get for the present a quite clear idea of 'The Position of William,' it is all I want of you."

## CHAPTER XXVIII



Of London it is stated that when the labourer from the country comes into the city to work, the second generation of his line is inferior in health, strength, and ability, the third generation much crippled and diseased, and *there is no fourth.*

*Charlotte Perkins Gilman.*

For each millionaire in the United States we have 300 children working in factories.

*Lee Francis Lybarger.*

New York is one of the richest cities of the world. If my memory serves me right, its property is estimated at some \$13,000,000,000. And yet how fares it with the people in that city of fabulous wealth? At least one in every 10 is buried in the Potter's Field. Eighty-eight per cent. of its inhabitants—and some say 94%—live in rented houses. And as to evictions—as to being thrown right out into the street with your family and household effects—a New York paper tells us that “in one judicial district in this city there have been more evictions in the last three months than occurred in the whole of Ireland during the same period.”

*Ibid.*

The great Roman Empire sank into oblivion when only 1,800 men owned the then known world.

Babylon expired when 2% of her people owned all the wealth.

Egypt went down when 97% of her wealth was owned by only 2% of her people.

And history records that Persia perished when 1% of her people owned all the land.

*Frank Parsons.*

I look on that man as happy who when there is a question of success looks into his own work for a reply, not into the market, not into opinion, not into patronage.

*Emerson — Essay on Worship.*

Depend upon this, that the individual who is too lazy to do a thing, will always find plenty of good excuses for not doing it.

*Elbert Hubbard.*

Shed no tears over your lack of early advantages. No really great man ever had any advantages that he himself did not make.

*Ibid.*

## CHAPTER XXVIII



IN order to place before the reader still other views upon this subject of interest we offer the following which was published in "Liberty," August 6, 1881, under the heading "Who is the Somebody": "Somebody gets the surplus wealth that labour produces and does not consume. Who is the Somebody?" Such is the problem recently posited in the editorial columns of the *New York Truth*. Substantially the same question has been asked a great many times before, but, as might have been expected, this new form of putting it has created no small hubbub. *Truth's* columns are full of it; other journals are taking it up; clubs are organising to discuss it; the people are thinking about it; students are pondering over it. For it is a most momentous question. A correct answer to it is unquestionably the first step in the settlement of the appalling problems of poverty, intemperance, ignorance, and crime. *Truth*, in selecting it as a subject on which to harp and hammer from day to day, shows itself a level-headed, far-sighted newspaper. But, important as it is, it is by no means a difficult question to one who really considers it before giving an answer, though the variety and absurdity of nearly all the replies thus far volunteered certainly tend to give an opposite impression.

"What are the ways by which men gain possession of property? Not many. Let us name them: work, gift, discovery, gaming, the various forms of illegal robbery by force or fraud, usury. Can men obtain wealth by any other than one or more of these methods? Clearly, no. Whoever the Somebody may be, then, he must accumulate his riches in one of these ways. We will find him by the process of elimination.

"Is the Somebody the labourer? No; at least not as labourer; otherwise the question were absurd. Its premises exclude him. He gains a bare subsistence by his work; no more. We are searching for his surplus product. He has it not.

"Is the Somebody the beggar, the invalid, the cripple, the discoverer, the gambler, the highway robber, the burglar, the defaulter, the pickpocket, or the common swindler? None of these, to any extent worth mentioning. The aggregate of wealth absorbed by these classes of our population compared with the vast mass produced is a mere drop in the ocean, unworthy of consideration in studying a fundamental problem of political economy. These people get some wealth, it is true; enough, probably, for their own purposes; but labour can spare them the whole of it, and never know the difference.

"Then we have found him. Only the usurer remaining, he must be the Somebody whom we are looking for; he, and none other.



## GILLETTE'S INDUSTRIAL SOLUTION

But who is the usurer, and whence comes his power? There are three forms of usury: interest on money, rent of land and houses, and profit in exchange. Whoever is in receipt of any of these is a usurer. And who is not? Scarcely any one. The banker is a usurer; the manufacturer is a usurer; the merchant is a usurer; the landlord is a usurer; and the workingman who puts his savings, if he has any, out at interest, or takes rent for his house or lot, if he owns one, or exchanges his labour for more than an equivalent, — he too is a usurer. The sin of usury is one under which all are included, and for which all are responsible. But all do not benefit by it. The vast majority suffer. Only the chief usurers accumulate: in agricultural and thickly-settled countries, the landlords; in industrial and commercial countries, the bankers. Those are the Somebodies who swallow up the surplus wealth.

"And where do the Somebodies get their power? From monopoly. Here, as usual, the State is the chief of sinners. Usury rests on two great monopolies,— the monopoly of land and the monopoly of credit. Were it not for these, it would disappear. Ground-rent exists only because the State stands by to collect it and to protect land-titles rooted in force or fraud. Otherwise the land would be free to all, and no one could control more than he used. Interest and house-rent exist only because the State grants to a certain class of individuals and corporations the exclusive privilege of using its credit and theirs as a basis for the issuance of circulating currency. Otherwise credit would be free to all, and money, brought under the law of competition, would be issued at cost. Interest and rent gone, competition would leave little or no chance for profit in exchange except in business protected by tariff or patent laws. And there again the State has but to step aside to cause the last vestige of usury to disappear.

"The usurer is the Somebody, and the State is his protector. Usury is the serpent gnawing at labour's vitals, and only liberty can detach and kill it. Give labourers their liberty, and they will keep their wealth. As for the Somebody, he, stripped of his power to steal, must either join their ranks or starve."

In the July 2nd, 1887, issue of "Liberty," under the caption "A Letter which Henry George Wouldn't Print," appeared a communication signed by John F. Kelly. The letter referred to was originally addressed to the Editor of the "Standard," and is of great importance for the light it throws upon the subject of interest. It ran as follows:

*"To the Editor of the Standard:*

I have read with great interest your reply to 'Morris' in the last number of the 'Standard'; but I have not been convinced by it that Kellogg's assertion that interest, even at two per cent., would inevitably prove ruinous is untrue. I do not think that 'Morris' is, and I am certain that Proudhon was not, led astray by confining his attention to borrowing and lending instead of taking a survey of the whole field of commerce. It was not interest on loans in the ordinary sense, but profit itself, that Proudhon was aiming at.

## GILLETTE'S INDUSTRIAL SOLUTION

Consequently it is begging the question to defend interest-taking on a loan by asserting that the borrower may make a still greater profit.

"Your distinction between interest, increase of capital, and usury, payment for the use of a legal tender, is ingenious, but scarcely of much value unless you are prepared to show that the former would exist in the absence of the latter. Suppose I am possessed of capital and wish to engage in a manufacturing business; but that my capital is in such shape that it is not immediately available for that business, and that a forced sale would entail considerable loss. There are two courses open to me: either I must borrow money from some person having it to lend, or I must buy what machinery and supplies I need on time. In either case, however ample may be the security I give, I must pay interest, in the one case directly, in the other in the form of higher prices. Consequently when I place my goods on the market, I have to charge not only for my labour and that of my associates, for the raw material and the depreciation of the plant, but in addition I must charge enough to pay the interest on the cost of this plant, and, if possible, enough additional to pay me a profit. Prices are thus raised to consumers, who in turn, if possible, raise the prices of their products. This, however, cannot be done by the poorest class of consumers, the wage-workers, and so on them ultimately falls the burden of interest-paying. Now I am compelled to pay interest on the money I borrow in order to procure stock, or higher prices for the stock bought on time, solely because of the monopoly allowed in the issuance of a circulating medium. That an association of persons possessed of capital could issue to themselves non-interest-bearing mutual-guarantee notes, the association being secured by mortgages on the property of the individuals to whom the notes were issued, and that these notes would be capable of fulfilling all the useful functions of money, no one who investigates the subject impartially can doubt. Possessed of such notes, I can buy what I need without being forced to pay an advanced rate, since those of whom I buy would find them equally serviceable in their purchases of me or any other adherent of the association. This being the case, it is evident that what appeared to be a charge for the loan of capital is really a charge for the use of a circulating medium; and that the high rates paid by the wage-workers for what they buy would be at once lowered by competition in the presence of free money without an equivalent reduction of wages.

"I think I have made out a sufficiently good case against interest by showing that it entails any unnecessary hardship on the masses of the people, but the hardship that it causes is not limited to the mere taking away of a portion of their earnings. Its chief evil is that every now and again it brings about a glut in the market and a financial panic. Were interest simply a tax on the producer, like that levied by the feudal barons, however large it might be, we could hope to live under it by harder work and improvements in the methods of production; but the curse of interest is that it forbids work, as a short analysis of capitalist production will show. Suppose a community in which there are a number of factories de-



## GILLETTE'S INDUSTRIAL SOLUTION

voted to the supply of articles of general utility, and that the proceeds are equally divided between the employing capitalists and the employees. The immediate result, of course, is that the employees, the great mass of the people, are able to buy only one-half of the goods produced, and that the employers will not buy the other half since their wants for common articles are no greater than those of the employees. In consequence, commercial stagnation results, and the factories close for a time,—possibly some of the employers are ruined. In such a state of affairs some relief would be afforded by the introduction of a new industry, the production of articles of luxury, as this would tend to make the circulation more complete. The relief would, however, be imperfect at best, and besides would encounter grave obstacles to its success. For the capitalist who invests all his surplus income in luxuries is really abdicating his functions, since, although he continues to draw interest, he loses the power of increasing the amount he draws, and consequently will be rapidly distanced by any rival who pursues the accumulation policy. A glut sooner or later is therefore inevitable under the capitalist system, and the only remedy is the replacement of that system by one in which the labourer's wages will be sufficient to enable him to buy back his own product,—that is, one in which profit is abolished.

"I am aware that economic writers generally speak of the hope of profit as a necessary incentive to labour; but this is evidently a confusing of terms, for all that is necessary as an incentive is that labour should receive a reward, and profit in the economic sense lessens this reward. Besides, if we suppose a community all the members of which are equally capitalists,—i. e., equally rich and with equal opportunities,—it is evident that profit would be reduced to zero and yet that labour would continue. Profit in the economic sense is in its nature one-sided and cannot be generalised; for if, in an equalitarian society, each one advances the prices of his product five per cent. above cost,—that is, makes five per cent. profit,—the net result is as if no one had made any. There is a sense, however, in which mutual profit (advantage) occurs,—for instance, the advantage arising from the division or specialisation of labour; but here the advantage remains when exchange takes place at cost,—that is, when profit in the economic sense has vanished,—and hence its existence cannot serve as a defence of interest.

"I do not intend by anything I have said to belittle the importance of the land reform movement. It is no doubt true that, were the power of landlordism to remain as it is, the advantages accruing from the reform I am advocating would be absorbed by the landlords. I am heartily in sympathy with the movement to abolish landlordism, and all I wish to point out is that such abolition is not enough. The party that seeks the emancipation of the proletariat must inscribe on its banner *Free Money* as well as *Free Land*.

61 East Seventh St., New York."

John F. Kelly.

Another article much to the point upon this subject was written for "Philadelphia Mechanics," by Hugo Bilgram, under the title

## GILLETTE'S INDUSTRIAL SOLUTION

"Perpetual Motion an Orthodox Doctrine." The following extract from the article will be found of interest: "If an inventor show a professor a motor which, once charged with a given amount of energy, would from time to time give out new energy without consuming the original power therein stored, he would have reason to maintain that the new power was not the result of the original charge, but must have some other source, and had he the opportunity of a close examination, he would not fail to find the hidden belt, the covered shaft, the secret pipe, or electric wire, which out of the sight of the casual observer conveys the additional power to the contrivance.

"Yet, when our industrial machinery is charged with a given amount of labour-power, in the form of capital, we not only observe with stoistic equanimity a phenomenon having the essential features of a physical perpetual motion, but even denounce the crank who dares to assert that there is a screw loose somewhere in our social and industrial machinery. As soon as the complete analogy of an apparent perpetual motion and the present operation of capital is recognised, it will not take long to discover the social contrivance by which the increase, now attributed to the coöperation of capital, is really abstracted from the workers, both mental and physical, and the cause may then be seen which with unerring certainty brings about that industrial distress to the study of which at present so much thought is directed, of which the ultimate outcome will be the solution of the labour problem, independent of the consideration of what constitutes a working day."

In treating this subject we are considering, under the caption of "Economic Theories of Interest," G. Bernard Shaw offers the following severe arraignment of the present régime which we quote from the September 24th, 1887, issue of "Liberty":

"It is not easy to gather from the economists a precise idea of what interest really is, except that it is always an excuse for an idle man to live on the labour of an industrious one. Elucidation as to the rate of interest, and mystification as to its nature, is the rule in the popular treatises. The only view that can be called orthodox is that from which interest appears as a payment to a producer to induce him to postpone consumption of his product in favor of some other person who wishes to consume it immediately, and who proposes to replace it ultimately and restore it to the producer, paying interest in the meantime as a solatium to the producer for his abstinence. Now, there is no doubt that payments called interest are actually made to the tune of \$250,000,000 a year in this country; but the orthodox explanation of them hardly carries conviction; for they are not made to producers; many of the non-producers to whom they are paid, so far from abstaining, consume as much and as quickly as they care to; and, above all, the postponement of consumption, far from being a penalty which a man need be bribed to suffer, is a necessary provision against old age and infirmity, the power of arranging for which is one of the chief advantages which members of a continuous human society have over wild beasts. What evidence have we that the borrower's desire to



## GILLETTE'S INDUSTRIAL SOLUTION

anticipate the act of production outweighs the lender's need to defer the act of consumption? If the borrower needs the help of the lender, the lender no less needs the help of the borrower, since deferring consumption is not a matter of locking up gold in a safe and taking it out in a year or ten years hence to spend, but a matter of disposing of machinery that will rust, and food that will rot, to men who have present occasion for them and are willing to repay their cost at some future time. The reply is that the undeniable fact that the payments are made to the lenders proves that the borrower's need is the greater. But before that evidence can be accepted it remains to be seen whether the payments cannot be accounted for on other grounds.

"And here be it said that, in the conversation of the average city man startled by a Socialistic suggestion that the rate of interest is not the law of God, the phenomenon is accounted for on many other grounds. Sometimes it is insurance against risk of loss. Sometimes it is rent of ability, or profits. Sometimes it is the difference between the normal price and the market price of machinery, caused by the demand exceeding the supply. Sometimes it is increase due to improved methods of production. Sometimes it is the earth's natural increase. There is, in fact, little advantage in ordinary discussion in assuming that this or that theory is *the* standard theory of Interest, because, although our capitalists vehemently assert, or pay others to assert, that they are standing by sound economic principles, it will be found that to drive them out of one economic position is merely to drive them into another, until all possible economic positions are occupied by their opponents, when they simply proclaim the whole science of economics impractical if not immoral, and defend their property on the plain ground that they enjoy it and mean to keep it as long as they can. But before they are driven quite to that point, they often strike out brilliant impromptu theories of their own. For example, it is not uncommon to hear those who defend capitalists as the class to which we owe machinery (a romantic notion) contend gravely that labour saving inventions should not save labour,—that the quantity of toil undergone should remain constant, and the increase of product be the property of the inventor and his heirs forever. Thus society should consist of a class of non-inventors — or anticipated inventors — and their descendants, working as hard and living as poorly as aboriginal barbarians, and a class of inventors and their descendants enjoying all the surplus produce,—all the advantages of the steam digger over the unprotected hand and nails,—of the ocean steamer over the naked swimmer. In such a state we can imagine the aboriginal class asking why the inventors should appropriate the surplus. 'Because,' the inventors would reply, 'we have benefited society by our inventions.' 'But you don't benefit society,' the others would answer: 'We are no better off than if nothing had ever been invented,—nay, we are worse; for if you had not invented spades and ships and the like, we might have invented them for ourselves.' The inventors' retort would be: 'It is false; WE HAVE benefited society: *we* are society; and we are benefited. You are but the scum and dregs,—

## GILLETTE'S INDUSTRIAL SOLUTION

the stupid, the thriftless, the drunken, the congenitally diseased, and criminals. If not, why do you not invent something, as we — or at least our ancestors — did?' These inventors would be in a position to retain an army of policemen and soldiers to maintain and extend their legal rights. Finally, all the evils that have sprung from private property in land would ensue from private property in the profits of discovery. Interest is not due to this cause among us; for the law limits patents and copyrights to periods only sufficient to prevent holders from losing by their labour. It is true, however, that inventors themselves strive to appropriate the advantages of their inventions. For example, banking is a device for saving labour to society. But the banker's object is not to save labour to society, but to himself. Exchange costs a body of merchants a certain quantity of labour. 'Let me conduct your exchanges,' says the banker, 'and I will undertake that they shall cost you less than they do at present.' If the merchants consent, he conducts their exchanges on the banking system at much less cost than before, makes them pay nearly as much as before, and pockets the difference. Only by the freedom of other financiers to adopt his system and tempt his customers by offering to share the advantage with them, can that advantage eventually be distributed throughout the community. Give the first banker a patent forever; and out of all the benefits of banking his fellow-citizens will enjoy nothing except the small makeweight needed to prevent them from being perfectly indifferent whether they bank at all or not. And even the makeweight may safely be withdrawn as soon as the community, having adopted the banking system, has forgotten that any alternative to it is possible."

In his "The Cost of Competition," Mr. Sidney A. Reeve deals at some length with this question of interest.

"(1) *There is no possibility whatever of all individuals attaining incomes from the ownership of capital.* If all citizens, or even the great majority of them, should succeed in following the example, too often self-extolled, of the 'self-made' man and accumulate capitalism to an extent equal with him, the immediate result would be that no one would any longer draw any income in the shape of interest, dividends, etc. The current rate of interest would sink to zero. However fast the masses may succeed in accumulating capitalism, in savings-banks or other form, it is only to the degree that the larger capitalists accumulate more rapidly than they that interest-rates (actual, not apparent) may be maintained.

"(2) *Since interest is drawn in complete idleness, after the initial effort whereby the capitalism was hired out or 'invested' and the agreement upon the interest-rate was established, it can in no sense be regarded as the return to the capitalist of the value of any productive labour, either past or current, upon his part.* The past labour, if any, of acquisition of his capitalism is conserved to him in his ownership of the principal of his 'capital,' which he can liquidate at any time that he desires his pay for that labour. Of current labour on his part there is none; he works only when his capitalism needs reinvestment, *which is just when it fails to draw to*



## GILLETTE'S INDUSTRIAL SOLUTION

*him an income.* This income, or interest, therefore, can be regarded as nothing else than a bald abstraction by the capitalist, from the productive labour which hires and uses his capital, of a portion of the value which the latter produces, which is demanded and collected solely because the capitalist possesses the power to demand and collect it.

"(3) *The portion so abstracted naturally becomes, by gravitation, the maximum which labour can pay and still have left to itself a surplus, in the form of wages, which is somewhat greater than it would have enjoyed had it refused to hire the capital and had continued in hand-labour instead.*

"If it be said that herein, at last, is the justification of capitalism: that it merely transfers to the owner of the capital the productive power of that capital, as evidenced by the increased productivity of labour with, as compared to without it, the reply is fourfold, viz.:

"(1) What potentiality for the production of value lies in any original form of capital, such as a novel or useful invention, over the methods previously prevailing most obviously belongs, if to any individual, to the inventor. At present he seldom gets it; but if he does not, the capitalist certainly cannot step into his shoes and claim it upon the same grounds.

"(2) What potentiality for the production of value lies in later replicas of the original invention, by whomever created, is immediately visible in the market-price of these duplications; that is to say, in the principal-value of the capital. The only money which can honestly be demanded upon the basis of this claim is a single payment of this price. If the law is to prevent swindling, by repeated collections from the community for a single value produced, it should permit the capitalist to be paid for the creation of his capital *only once*. That is the only payment which it permits to any other sort of creative labour, no matter how continuously productive to the community the fruit of that labour may ever afterwards be. That is, it should protect the capitalist in the ownership of his principal; but all current payments which he may receive for its use, over and above actual depreciation, should be compelled by law, in ordinary justice, to count as payments in purchase of the capital. This is equivalent to saying that the true interest should be zero. In other words, the claim with which this paragraph is headed, if logically analysed, furnishes no legitimate explanation of interest.

"Standard Oil dividends, for instance, are reported to have ranged as high as 42 per cent. per annum. Discounting all considerations of watered or otherwise inflated valuations of stock, how many times must the original labour which was expended in producing the real capital, which this theory burdens with the responsibility for all of this interest, have been reimbursed for its exertions, since 1875? *And still this labour is not paid*—according to the argument that it is the original creation of the capital which justifies the drawing of interest. *It has not begun to be paid.* It still holds the full value of the principal as certificate of this work done so long

## GILLETTE'S INDUSTRIAL SOLUTION

ago. For this work it will acknowledge full payment only when, in addition to all of these payments of interest, the principal is liquidated. On all other stocks, usually earning lower rates of interest, although the absurdity of the claim may not be so palpable, the injustice is just as pure.

"(3) This point can be brought out still more clearly if there be introduced into the elementary illustrative case still another step in specialisation, one which is now an almost universal fact in modern industry: the one between the real production of capital and its mere idle ownership. We may imagine our canoe-builder, for instance, become so prosperous that he can afford to sit in the shade and to hire, with a portion of the rentals drawn from the canoes already in use, canoe-builders and repairers to work for him daily. These men receive wages for their daily work. It is ordinarily supposed, that, in simple justice, they receive the value which they produce—this value being, as in any case, the gross value created minus the cost of the 'central-office' direction and accountance. If so, then the indebtedness for the original creation of the capital is cancelled forever there and then, and no further just claim for payments of any sort may ever after be based thereon. If, on the other hand, interest be a sort of deferred payment, to the producer of capital, of that portion of the value which he created which was not paid to him at the time when the capital was created, then these hired creators of capital are not receiving just wages at the hands of their employer; he must be holding back something of their value produced, and when it later finds its way into his hands he is bound to turn it over to them. He cannot pose otherwise than as a trustee. If he holds back this portion of their natural wages and does not later turn it over to them, then is this merely another way of transferring value from its producer to one able to acquire it by force of circumstances; that is to say, the employer assumes toward his employee the same attitude as the armed hunter did in bargaining with the unarmed fisherman. It is needless to say that actual interest-payments do not pretend to follow these lines of disinterested trusteeship at all. They therefore must not lay claim to the principles lying back of them.

"(4) The final point of significance as to the nature of interest is that the great bulk of capitalism upon which interest is now being drawn *never was created by the capitalist at all*. It was won by barter or was inherited. Therefore the question as to the true nature of the capitalist's proper income: interest,—whether rightful or the opposite,—turns upon the value to the community of the Capitalist's mere suzerainty of these replicas of Invention's novelty, which were produced by Labour and acquired into legal ownership by the Capitalist by methods yet to be explored.

"All of these considerations unqualifiedly identify capitalism and the collection of interest as a species of barter. The points of coincidence whereby this identity are established are:

"(1) It has nothing to do with Production. Capital has, but Capitalism has not; and the capital is furnished by Labour, not by the Capitalist.



## GILLETTE'S INDUSTRIAL SOLUTION

" (2) Its amount is determined and its payment assured solely by might, of legal possession on the part of the capitalist and by force of need on the part of the borrower, the labourer.

" (3) It universally tends to expand against its ultimate limit; the ability of the user to make the interest-payments and still earn wages slightly better than what he might earn without the capital.

" Therefore capital and interest-drawing will hereafter be regarded as merely one form of barter or competition, and will be understood as included within those terms. In capitalism the competition is between classes, the capitalist-class vs. the borrowing (or producer) class, instead of between trades or between individuals, as were the two forms of competition already discussed. We shall contrast the former with the latter by the terms *vertical* and *horizontal* competition, respectively; but except for this difference in relative position of the contending parties the two forms of competition are identical in nature.

" These statements have not been founded at all, it is to be noted, upon any denial that labour is better off with capital, even under capitalism, than it was previously. It merely denies the self-righteous explanation of interest as an institution warranted by considerations of justice. The existence of capital,—the material tools used by the producing labourer,—is warranted by its beneficent effect upon general and individual productivity. The existence of capitalism is not warranted by any consideration except that we do not know how to get rid of it. That the increment in productivity due to the use of capital should go back to the capitalist, either in whole or in appreciable part, as a matter of justice, is denied in toto. It comes back to the capitalist, in large part, simply because he can make it come back. All pretence that he, purely as a capitalist and not as a labourer specialised into superintendence, either produces this increment himself, or that he himself aids labour to produce it, is absolutely without foundation—as will appear even more clearly as the analysis develops.

" As with many other pairs of activities between which sharp contrast is to be drawn, these of the creation and the ownership of capital, or of the use and the ownership, may both find expression, at times and in part, within a single individual. Such an one may devote a portion of his time to each of the two; or here, since one 'activity' is idleness,—the activity consisting solely in the consumption of wealth produced by the activity of others, a negative activity,—all of his time may be absorbed in productive labour, for which he enjoys full return in the form of 'wages,' while the income from his ownership of capital comes quite in addition to that.

" If it be urged that the capitalist runs constant risk of not being able to obtain profitable investment, or to liquidate his capital into its original money-value upon need, owing to constant fluctuations in commercial valuations, the reply is threefold:

" (1) The individual's voluntary risk is of no value to the community and there is no reason why it should reimburse him therefor. Piracy runs risks, in prosecuting its business upon the high seas—

## GILLETTE'S INDUSTRIAL SOLUTION

of a gallows erected by its own lawlessness. So does anarchy, in handling dynamite. The burden of proof remains upon the capitalist to show how his risk aids the community. It is of his own making and his own choosing. If he had sold his capital for cash at the time of its first creation, not attempting to keep it for the sake of prying interest out of other people's pockets with it, there would have been incurred no risk of losing it. The risk would then have been distributed over the entire community and have become insensible.

"(2) The risk is not so great but that (a) it is overbalanced by the average rate of interest, so that there always results to the capitalist, in the long run, a handsome net income; and but that (b) capitalism steadily accumulates; that is, that the capitalist enjoys the situation and constantly seeks to accentuate it.

"(3) The risk is incurred solely because it is the aim of all barter to fluctuate prices, and because all capitalism and all barter are operated upon the principle of cannibalism. That is to say, if one capitalist should find at any time that his capitalism had depreciated, or flown altogether, it could be only because he had taken too heavy a pirate's risk and attacked too powerful or too empty a galleon, or because some other capitalist or barterer had caught him napping and had gobbled him up. . . . *Summary.* In view of all these considerations the following principles of equity are laid down as axiomatic:

"(1) The only return honestly earned in the original production of capital is that reserved to any other form of productive labour, viz.: the value produced. This once conserved to the producer by the community, in a single net payment for a given lump of material capital produced, any demand for a second or a greater payment, or for a series of current payments, such as interest, amounts to extortion pure and simple,—under what pressure will be seen later.

"(2) The gain in productivity of labour due to the existence of capital, over what it was without it, if to be divided by Labour with anyone, should go in part to the Inventor, as to another form of productive labour; but the question as to what portion should go to each is here deliberately neglected, as irrelevant to the main question.

"(3) The doctrine that Interest is earned by current service performed for society by the Capitalist will not bear investigation. In the first place, the interest is paid only during those periods when the Capitalist is idle; and value cannot be produced, and if not produced is not earned, by idleness. In the second place, the ownership of capital is retained by the Capitalist at his own behest, as a privilege, solely for the purpose of drawing the income under discussion, and not as a patriotic or philanthropic piece of self-sacrifice. For instance, the chief source of our present municipal corruption is the enormous sums which the Capitalist is willing to spend *for the privilege of owning* the productive capital used by labour in maintaining urban transportation, the supply of gas and electricity, and similar public services. If the canoe-owner has so much desired to benefit either the individual fisherman or the community with his canoes he would have sold them to the one or the other for their equivalent



## GILLETTE'S INDUSTRIAL SOLUTION

in fish, as soon as built; for he would then have received, in consumable form, the full value of his labour, the value produced, and could therefore hardly pose as an altruist; while the utmost service which he could perform for society and for which he could equitably ask pay had then been done. . . .

"(4) The immorality of the practice of interest-drawing is obvious from the premium which it places upon idleness. The privilege of drawing interest never persuaded anyone, successfully, into productivity. It persuades them directly away from productivity, into barter; and when barter has accumulated enough, away from barter into idleness. No one who has spent his life in production draws an appreciable income in the form of interest. Not even inventors, according to Mr. Edison, ever make money by inventing; they make it, if at all, as business men, by successful barter over their inventions. Every existing income of appreciable size which consists of interest upon invested capital is drawn from a fortune originally accumulated by barter.

"The simple fact is, the exaction of Interest from Labour for the use of capital is a parasitical process attaching itself to the Exchange between Labour-Specialising-upon-Tool-making and Labour-Specialising-upon-Tool-using, exactly as Barter is a parasite upon exchange between labour using one sort of tools and raw material and labour using another sort. The characteristics of the two parasites are exactly alike. Every generalisation or law previously stated or hereinafter to be deduced in relation to barter holds equally true of the drawing of interest from the idle ownership of capital. The pressure which is put upon productive labour to give up this strength to the parasite is exerted in a different fashion, to be sure, but the difference is in form only. In barter it falls directly from the barterer upon the labourer; in capitalism it falls indirectly, and therefore more obscurely. But it is the same force in each case."

Speaking jointly of rent and interest Proudhon draws a picture of a "consummation devoutly to be wished." He says: "In abolishing rent and interest, the last vestiges of old-time slavery, the Revolution abolishes at one stroke the sword of the executioner, the seal of the magistrate, the club of the policeman, the gauge of the exciseman, the erasing-knife of the department clerk, all those insignia of Politics, which young Liberty grinds beneath her heel."

We wish now briefly to consider two other apologists for interest. We wish to consider these two together for the reason that the last one can best be comprehended by first understanding its predecessor. The first of these theories is that set forth in "The Positive Theory of Capital," by Eugen V. Böhm-Bawerk. On pages 285 and 286 the author says: "In the previous book I tried to show, and account for, the natural difference that exists between the value of present and the value of future goods. I have now to show that this difference of value is the source and origin of all Interest on Capital. . . . Interest, then, comes, in the most direct way, from the difference in value between present and future goods."

In considering other theories of interest our author says in the same chapter: "This is the extremely simple explanation of a

## GILLETTE'S INDUSTRIAL SOLUTION

transaction which, for hundreds of years, was made the subject of interpretations very involved, very far-fetched, and very untrue. Since the days of Molinæus and Salmasius, the Loan has been conceived of as a transaction analogous to the Hire; as a transfer of the temporary use of fungible goods. This method of interpretation seems simple and natural enough. It has, too, the advantage and support of being in harmony with popular ideas and popular speech. We do not say, 'I sell you, or exchange you £100,' but, 'I lend you £100.' The transaction is a loan, and interest a *usura*, a use of money. But, before a scientific basis could be given to this popular conception, a whole series of subtleties had to be invented, and to obtain these out of the circumstances of actual life taxed all the resources of sophistry.

"First it has to be shown that, in transferring a thing, it is possible to transfer more than the whole of it; namely, that in giving the borrower possession of the loaned thing, it is possible to transfer to him the right to all and every use that can be made of the thing, even to the consumption that annihilates it, and, besides that, the right to a separate kind of remnant use, for which a separate claim, the claim of interest, can be made. Then the further subtlety had to be invented, that, in perishable goods — goods which perish in the act of use — there is, all the same, a continuous use, ever rising anew from its own ashes; a use which lasts even when the good 'used' has long ceased to exist! It had to be discovered that a cwt. of coal can be burned to cinders on 1st January, 1888, and yet be 'used' uninterruptedly throughout the whole year, and, perhaps, for five, or ten, or a hundred years to come; and, what is best of all, that this lasting use can always be bought for a particular price, although and after the coal itself, and the right to consume it to the last atom, has been given away for another and a different price!

"In my former book, *Capital and Interest*, I subjected this singular theory to a searching critical examination. I showed how, under peculiar historical conditions, it came into the world as the birth of circumstances, in which, to save interest and justify it against the unquestionably unjust attacks of the canonists, a decent foundation had to be found for it at any price, or, if not found, invented. I showed that this theory had its troubled source in a fiction. It was a fiction adopted, in its time, by the old jurists, in full consciousness that it was simply a fiction set up for certain practical legal purposes; but afterwards, by a strange misunderstanding, this fiction was adopted as a sufficient scientific fact. I tried, further, to show that this theory is, in itself, full of mistakes, internal contradictions, and impossibilities, and how, finally, when carried to its logical conclusion, it leads inevitably to further contradictions and impossibilities. In opposition to it, and in place of it, I now offer my own positive theory, then unpublished, and confidently leave it to the reader to judge on which side lies illusion and error, and on which truth."

In his work entitled "*Capital and Interest*," the same author says:

"*The loan is a real exchange of present goods against future goods.* For reasons that I shall give in detail in my second volume,



## GILLETTE'S INDUSTRIAL SOLUTION

present goods invariably possess a greater value than future goods of the same number and kind, and therefore a definite sum of present goods can, as a rule, only be purchased by a larger sum of future goods. Present goods possess an agio in future goods. *This agio is interest.* It is not a separate equivalent for a separate and durable use of the loaned goods, for that is inconceivable; it is a part equivalent of the loaned sum, kept separate for practical reasons. The replacement of the capital + the interest constitutes the full equivalent."

It is impossible within reasonable limits to give a comprehensive idea of the reasons set forth by Prof. Böhm-Bawerk, which led him to conclude that present goods are worth more than future goods and, happily for our purposes, such a review is not necessary. It will be found fully presented in Book V of "The Positive Theory of Capital." Prof. Böhm-Bawerk synthesises these reasons into what he calls his fundamental principle which is "that present goods have a higher subjective value, and thus a higher price, than future goods of like kind and number." He gives three reasons for this subjective valuation. First; the difference between want and provision for want. Second; the under-valuation for future pleasures and pains, and third; the technical advantage inherent in present goods due to the superior productivity of long processes of production over short processes. In addition to these reasons taken separately he claims that they also may coöperate.

In an article by Mr. Hugo Bilgrim, published in "The Journal of Political Economy" for March, 1908, entitled "Analysis of the Nature of Capital and Interest," the theories of Prof. Böhm-Bawerk are subjected to a most searching analysis from which they emerge much the worse for wear.

The next theory of interest to which we have referred is that of Mr. Clarence G. Hoag. Mr. Hoag offers what he considers a refutation of Prof. Böhm-Bawerk's theories, and then gives, as a substitute therefor, his own theory, in which he defines interest as follows: "Economic interest is the gain in aggregate income secured by mere soonness in taking further advantage of the forces of nature. . . . Commercial interest is the price of the opportunity to secure economic interest. . . . *interest is a sort of wages for soonness in improving methods of production.*"

This requires some explanation to make it intelligible. Let us quote a few lines of Mr. Hoag's argument in which he refers to the well-known "productivity" theory, then to the theory of Prof. Böhm-Bawerk, and lastly to his own. He says: "And now I think the three theories we have been discussing will stand out clearly as distinct from each other. According to the 'naïve productivity theory' interest is accounted for by the fact that a tool saves labour above its upkeep cost. According to your (Prof. Böhm-Bawerk's) theory, it is accounted for mainly by the fact that, to put it concretely, a month's labour applied now will produce more in a productive process continuing two years than in one continuing one year. According to my theory, it is accounted for by the fact that a month's labour in a productive process now continuing any length of time

## GILLETTE'S INDUSTRIAL SOLUTION

can be made to produce more than the same labour in the same process a year hence continuing for the same length of time. '*Can be made to produce more,*' I say: *it will produce more only if applied to improving the process.* Mere soonness in applying labour does not necessarily result in a gain, but mere soonness in applying it *so as to take further advantage of the forces of nature* does necessarily result in a gain, a gain in the *aggregate* income of the race."

To elaborate this thought a little further we may say, that Mr. Hoag's theory, as we understand it, contends that if Smith makes an improvement in the productive process by which natural forces will be more fully used than heretofore, the aggregate gain to the world, by virtue of this improvement, will be greater if it be applied *now* than if applied *a year later*; greater by just the amount of saving which occurs between now and one year later. He contends that this increment is not the result of being able to engage in a process of production having a greater yield because being a longer process, but that it comes from the fact that it is *sooner applied* and, therefore, begins to return a yield at an earlier date; all this earlier yield being just so much clear gain over a process applied later. "The product of industry," says Mr. Hoag, "is due to (1) Nature itself, (2) sheer labour, (3) effectiveness in application of labour. The rightful owner of nature, that is humanity, let us say, should receive that share of the product that is due to nature, that is, 'economic rent.' Those who supply sheer labour should receive that share of the product that is due to sheer labour, which is part of what is called in economic discussion 'wages.' Those to whom it is due that sheer labour is applied effectively, that is, those who supply intelligence for the application of labour, should receive that share of the product that is due to what they supply: and all of economic interest is due to what they supply."

In the foregoing we have endeavoured, in considering interest, to give a suggestion of the views of current political economy; of the Single Tax; of at least one phase of Socialism; and of Anarchism; as well as some short extracts from others who would probably not range themselves, without some qualification, under any of these standards.

That the views represented are by no means consistent goes without saying. In the following chapter we shall put before the reader what seems to us to be some of the most salient points of this mooted topic.





## **CHAPTER XXIX**



The rich man excuses himself thus: "I give money to people so that they may work for me, and it is a good action on my part for which God will reward me. How could they earn money without me?" I answer: "You are claiming to help men by the fruit of their own labour. Who earned the money that you are spending? Why, the labourers themselves." Money makes men blind and mad. "I pay for my bread," is your only answer. Sometimes I go two months without a single one of your pennies, and yet I have enough to eat. But if you went two months without my bread, what kind of a song would you sing? Now tell me, reader, which one of us is dependent on the other? Which of us is entitled to the head of the table? Is it not I? Why, then, have you taken it? Make a good defence for yourself or stop eating our bread. Cultivate an acre of land and then sit down at the table. Before you pass on the merits of my book, O reader, I beseech of you not to eat of our bread for two days. But no; in an hour you will again stretch out your hand to our tree of life, forbidden to you,—I mean the bread produced by others' toil. If you despise us why do you eat our bread? If I were wise and learned as you are I should always eat money.

*Timothy Michailovitch Bondareff — Work, According to the Bible.*

When we had 65,000,000 people in the United States we had about \$65,000,000,000 worth of property—counting both Wealth and Land. And so if this property had been converted into money and divided equally among all the people, there would have been a thousand dollar bill for the pocket of each man, woman and child in the nation. And in every crowd of 1,000 people there would have been an aggregate of \$1,000,000 in the pockets of the people of *that one crowd*.

But if you caught a man in that crowd with a *million* dollars in his own pocket, how much would be left in the pockets of the remaining 999? Nothing. It is a mathematical impossibility for one man to have a million dollars in his own pocket without getting that thousand dollar bill out of the pocket of each man, woman, and child *in that crowd*.

And that is what the word "millionaire" means. It means that in order for one man to acquire a million, a *thousand people* must be impoverished; for one man to accumulate ten million dollars, *ten thousand people* must be plundered and despoiled of their property; and in order for just one man to be worth a hundred million dollars, a hundred thousand American citizens must be despoiled of their property.

Nor is this all. For each *additional* individual who reaches the millionaire class—or for each million added to the huge fortune of those already there—a thousand more free-born, American citizens must be impoverished. Is there a patriot citizen within the bounds of the Republic who can find any joy in contemplating the awful, heart-rending, soul-crushing significance of that one word, the word "millionaire?"

*Lee Francis Lybarger.*

## CHAPTER XXIX



INTEREST is best defined as the payment for the use of capital. It is sometimes less accurately given the definition which appears in the Standard Dictionary, to wit: "Payment for the use of money, or money so paid," etc. In attempting to justify interest Henry George says in his "Progress and Poverty": "For interest is not properly a payment made for the use of capital, but a return accruing from the increase of capital." That this variation of definition does not make good Mr. George's attempted justification we believe we shall be abundantly able to show. It is a common commercial euphuism to speak of capital as "earning" interest. Nothing could well be a greater distortion of language. The word *earn* can be applied only to sentient organisms. It has a distinctly ethical connotation. We find by reference to the dictionary that the word is defined thus: "To gain as a just return or recompense by service, labour, or exertion; . . . to merit by reason of service or exertion."

It will be seen, therefore, that if the use of capital implies the earning of anything it must imply the earning of some sentient organism, and moreover, that this "earning" must be just. As we shall show that interest is both unjust and indefensible, we shall show by implication that the word "earn" does not properly apply to it in any way. Those apologists for interest who wisely avoid the use of the word "earn" as applied to capital, realising as all should realise, that this word implies a condition of activity, while capital *per se* is invariably passive, are wont to substitute the words *accrue*, or *increase*, referring not to the "earnings" of capital, but to that which *accrues* to capital, or to the *increase* of capital. Now it is important to note that capital will not increase until somebody increases it. On the contrary, taken in the mass, as all such matters must be taken, capital will waste if left to itself.

The reasons which are assigned by various writers in their attempts to justify interest, do not by any means show a general agreement among the defenders of this institution. We cannot afford space to deal with more than those views which seem to us to present most plausibility. These we may denominate as follows. (1) Interest is the reward of abstinence. (2) The power which exists in capital to increase the productiveness of labour. (3) "Interest springs from the power of increase which the reproductive forces of Nature, and the in effect analogous capacity for exchange, give to capital." The first of these positions is practically that of Adam Smith, who says of interest; "It is the compensation which the borrower pays to the lender, for the profit which he has an opportunity of making



## GILLETTE'S INDUSTRIAL SOLUTION

by the use of the money." In short, it is the payment for a sacrifice made by the lender to the borrower, or the reward for the lender abstaining from using the capital himself.

The second position is that of Bastiat and many others, and the third position is that of Henry George. The first two of these positions Mr. George himself completely demolishes, and his own position receives a similar treatment at the hands of the editor of "Liberty," Mr. Benjamin R. Tucker. Mr. George points out that abstinence produces nothing. That if a sum of money be locked up in a vault as much abstinence is shown as though it had been loaned, pointing out that in the one case no increase would be expected, while in the other an additional sum would be looked for by way of interest. He very rationally concludes that, since *interest* and *no interest* result from *exactly the same amount of abstinence*, it cannot be the *abstinence* which causes the *interest*. He further develops the fact that accumulation is the end and aim of abstinence; that it can by no possibility do more than this, and that unaided it cannot do even so much, since if every one were to refrain from using capital it would waste itself so rapidly that in a few years the world's capital would be but a negligible fraction of what it now is.

In treating the second position mentioned above, Mr. George shows its fallacy in connexion with Bastiat's celebrated plane analogy. This we have already gone into at some length, and shall elaborate more fully a little later.

The third position, that of Mr. George himself, has been very ably met in the quotations given in the preceding chapter. There remains, however, some inconsistencies in Mr. George's theory which we have not yet pointed out. One of the most fundamental of these, it appears to us, is this great philosopher's failure to show how he deduces a *personal* advantage from a *communal* advantage. After showing, in a most satisfactory way, that rent is wrong because it is a charge for that to which all men have an equal right without charge, he proceeds to justify interest on the basis of an *alleged natural increase*. We say "alleged" because it is considered by some an open question whether or not the constructive forces of Nature overbalance the destructive forces. A field of wheat grows in a few months, and a catch of fish rot in a few days. Cultivated land yields large returns, but, on the other hand, it slips back to pasturage and farther back to thicket with astonishing ease; and here seems a fitting point to note another important consideration, to wit, that there is a law here which we do not remember ever to have seen pointed out,—a law which reminds one of the law of diminishing returns,—a law which is most pregnant with significance. We may postulate this law thus: the higher the evolved status, the larger will tend to be the proportion which the destructive force makes to the constructive force. We may, perhaps, show our thought in a sentence if we say that a delicate chronometer will rust to inutility, if exposed to Nature's forces, much quicker than a sun dial. The more highly specialised and intricate a mechanism, whether it be of flesh, of steel, or of vegetable matter, the more easily will it be deranged by the natural destructive forces of Nature. Weeds will grow in al-

## GILLETTE'S INDUSTRIAL SOLUTION

most any soil, but the highly specialised flowers require a care proportionate to their complex needs. As flowers are developed into higher and higher types, they are, as a rule, more and more unfitted to battle with the weeds and other adverse natural conditions.

Running along *pari passu* with this development is a condition of environment which tends ever more and more to bring into action the law of diminishing returns, thus cutting down productiveness upon the other end of the proposition. This tendency of Nature to make her highly evolved products more unstable, if you please, than those which are less complex, is both significant and far reaching. We do not mean to say that this increasing lack of stability is invariably true of *all things* but we do contend that it is true in such an overwhelming majority of cases as to make it a vital point to consider.

It will be seen that, in connexion with Henry George's theory of interest, we have only to imagine an evolution sufficient to reach that stage where the destructive forces of Nature balance the constructive forces, in order entirely to do away with his basis of interest. If we assume that while this point may not yet have been reached, it will be reached in the natural process of evolution, we are forced to the conclusion that Henry George's theory of interest cannot survive natural evolutionary processes. More than this, we are led to see that just in proportion as Nature evolves into higher and higher types, will his alleged basis for interest decrease. What then are we to say for the justice of a régime which cannot survive the natural betterment of evolution? Until this betterment occurs conditions will, of course, not be ideal (which is not to say that they will be then), and since absolute ethics deals with perfect environment, our contention that interest is not just, according to absolute ethics, would, for all that Henry George's theory shows to the contrary, have to stand.

Reverting now to a consideration of the question of how Henry George deduces a personal advantage from a communal right, we have to consider that he states without ambiguity that the right to use the earth belongs to all mankind, and his philosophy shows, that by this he means that all mankind has an inalienable right to an undivided use of the earth. Neither he nor his followers fail to make it plain that when they use the term earth, they mean all the land, air, water, sunshine, etc., which can be found upon this planet. Now, an undivided right to the use of the earth must carry with it, as inherent within it, an undivided right to the use of *all those forces* bound up in the earth. An inalienable right, as we have seen, cannot be parted with. We cannot sell, loan, or in any way estrange our right to the use of the earth and its forces. Smith cannot loan his interest in the force of gravitation, neither can he loan his interest in that marvellous chemistry of Nature which makes a few kernels of corn grow into a bushel. The labour which he puts into planting the corn is justly his, but the forces which cause that kernel to multiply come from the earth, the air, and the sunlight, in which he owns no *divided right* whatsoever. If, now, he attempt to capitalise these forces and extort a payment because of the increase which has resulted from



## GILLETTE'S INDUSTRIAL SOLUTION

them, this payment can be made only through the labour of another. Everything which is said against rent pertains in kind, with equal force, with regard to interest. Note here that, even if it were contended that man had such an inalienable right to a distinct portion of the earth's surface as would constitute an *inalienable divided* right in the earth,—a contention which no close thinker would admit,—the case of the apologist for interest would in no wise be helped. The inalienable right to the use of a definite portion of the earth would carry with it an inalienable right to the use of all the natural forces pertaining to this definite portion. As the right to these forces and their results would be inalienable, they could not be parted with, and if he received any interest for, by, through, or because of these rights, he would, in so doing, commit an act of robbery, since he would be offering no title to anything whatsoever which could constitute a *quid pro quo*. He who borrowed from him and paid interest would have exactly as good a right to take the capital offered without any payment whatsoever. This, bear in mind, is not to say that he would have a right so to take it, but merely to say that he would have as good a right to take it *gratis* as the other would have to loan it for interest.

As John Stuart Mill pointed out long ago, where several things are all necessary to a result one cannot be said to be *more* necessary than another. While it is true that labour using land can produce wealth, it is also true that, in a highly evolved social state, production, in the mass, invariably results from the interaction of three factors, namely; land, labour and capital. These three factors are necessary to *modern production as we know it*, and each being necessary, no one can be said to be more necessary than the others. Land, labour and capital may be regarded as three tools, all of which, *under modern conditions*, must be used in the creation of wealth.

Rent is the price paid for the use of land—the price paid for opportunity—that is, the price paid for the opportunity to use this tool of production known as *land*.

Interest is that which is paid for the use of capital. It, too, is a price paid for opportunity,—the opportunity to use that tool of production known as *capital*.

This is a fitting place to call attention to what seems to us a frequent error in economic statement. To explain: interest properly is that which is paid for the use of borrowed capital. The mistake we refer to is that of assuming that he who uses his own capital pays *interest* to himself, while he who uses his own land pays *rent* to himself. If a man own his capital he does not borrow it, and there is no interest paid. Of course, it is perfectly well known, as was pointed out by Proudhon, that men using their own land and capital frequently reckon so much as interest and so much as rent; but, in the last analysis, there is neither rent nor interest. We do not mean that this error makes any difference in bookkeeping,—the result in *dollars and cents* is the same. The error makes itself felt in definition, and in the reasoning which is based thereupon.

To *avoid* paying interest to *another* and still to get what you would get *by* such payment, because you possess a bit of capital,

## GILLETTE'S INDUSTRIAL SOLUTION

is not to pay interest to *anybody* not even *yourself*. On the contrary, it is to *avoid paying interest altogether*. To claim that the capitalist, who at the same time *uses* his capital, pays interest to himself, is as absurd as to hold that he who avoids being robbed by a highwayman *robs himself* of the "swag" he saves intact. Nor does it help matters any to consider the capitalist as a *double individual*, one part of whom *labours* and the other part of whom *loans capital*. You might just as well assume the traveller to be a dual individual, one part of whom is traveller and the other part highwayman, for the mere sake of saying that the highwayman part robs the traveller part. The very fact that those who defend such phraseology have to split an individual into two pieces to make out their case, is an eloquent tribute to the violence of their theory!

The point we wish to make clear is, that borrowing and lending takes place between *distinct aggregates*, even though one individual may constitute a part of each aggregate, or the whole of one and a part of another. The president of a company personally may borrow from his company to meet his own needs, but he is not borrowing from *himself*. If John Smith, as the sole owner of a milk route, keeping a separate account, borrows money of John Smith as owner of a truck farm, also keeping a separate account, the proof that John Smith has not borrowed anything from John Smith, considered apart from his separate accounts, is in the fact that it makes not the slightest difference to John Smith, apart from said separate accounts, whether or not *any interest ever is paid*, or for that matter, whether or not the *principal* of the alleged loan is ever returned. Or, to state the matter succinctly, such a case has no economic significance whatever, for the reason that it is *impossible in any way to change the value of an entirely closed economic circuit*.

Were it possible for a man to loan money to himself, it would be possible for him temporarily to *beggar himself* by parting with his capital at the *same instant* that he *enriched himself* by borrowing it; offering us the anomalous result of a man *rendered penniless by receiving too much money*. Adam Smith avoids these difficulties by saying that when a man loans his capital he gets *interest*, while when he uses it himself his return is *profit*. This proposition, on the part of the father of political economy, is not, however, without its own difficulties. It makes interest and profits practically equal in amount; the only difference being the slight advantage which has to be offered the borrower in order to induce him to borrow. This fits well with Adam Smith's theory that interest is the reward of abstinence, since this theory would hold that no man would loan his capital for a price much less than would cover the sacrifice he made in abstaining from using it himself. In short, that no man would loan his capital for a much smaller return than he could get by using it himself. At first blush this sounds very reasonable to lay ears, but what becomes of it when we show that interest is determined, under free conditions, not by what capital can be made to *yield*, but rather, by what it can be *produced* for. An illustration will make this clear.

Smith wishes to loan Brown his wheelbarrow. He tells Brown



## GILLETTE'S INDUSTRIAL SOLUTION

that he can save fifty dollars by using the wheelbarrow in his work until the tool is worn out, and informs him that, for this reason, he ought to be willing to pay him for the loan forty-four dollars, and a new wheelbarrow which will cost him five dollars, since the transaction will then show him a saving of one dollar. Brown replies that he can buy a wheelbarrow of Jones for four dollars, and that he does not propose, therefore, to pay forty-nine dollars for one; indeed, he even calls Smith's attention to the fact that if he had no money he would be a fool to borrow a wheelbarrow and pay *forty-nine dollars* instead of borrowing *four dollars* and buying Jones' barrow.

The use of the earth belongs to all mankind, and all capital is produced from it by the application of labour to it. It is evident, therefore, that capital is merely a crystallised form of labour, so far as any individualistic considerations are concerned. The man who labours and produces capital has absolutely no individualistic, divided right to his product beyond the strictly labour part thereof. If Dame Nature worked with him and assisted in the product, she was not so far forgetting her dignity as to centre her attentions upon *one poor little human atom*, she was working for the *whole human race*, and trusting to his honesty, doubtless, to see that he did not try to divert her efforts solely to himself. What marvellous conceit! To think that Nature should shower her favours upon a few to the detriment of all the rest! Can we imagine a human mother giving one child a task requiring great labour for meagre returns, while she gives another child a task involving little labour for great returns, without insisting that they even up both labour and returns? Or, imagining Dame Nature to be a human mother with several children, can we suppose her to assist some of these children, doing more than half their work, while others she does not help at all, and still others she not only does not assist but hinders, making their toil twice as hard as it would be but for her influence; and all this without any attempt at a final pooling and division of labour and of reward?

Never let us lose sight of the fact that capital is composed invariably of two factors, namely, land and labour. This may not always appear on the face, but it will invariably show upon analysis. Now, the use of one of these factors, *land*, belongs, in an undivided condition, to all men in common, so that no *individual* properly can acquire or dispose of any part of capital *save its labour part*. The other part, the communal part, he properly does not own because he properly cannot own land; that is, he cannot justly claim title to the earth. Any increase which comes from this factor, the earth, therefore, is not his. It is an increase in which every human being has an equal right.

It should be remembered here that this communal right even injects itself into the question of wages. Ten men will do very much more than ten times the labour of one man, and this even where capital does not assist. If there is a heavy stone to be moved ten men will pick it up bodily and set it down where it is desired, consuming, perhaps, not more than three minutes in the process. Could one man achieve a like result in thirty minutes, or two men in fifteen

## GILLETTE'S INDUSTRIAL SOLUTION

minutes, or six men in five minutes? By no means. This labour has become immensely enhanced because of its communal or coöperative attribute. For one man to move the stone alone he would have to have the use of a considerable amount of capital, in the way of pries, levers, rock-lifter, derrick, or the like. It will be seen, therefore, that communal labour sometimes takes the place of capital. Were these ten men to be paid *according to service rendered* they would receive very much more than ten times the wages of one man for a like period, for the one man in three minutes would render no appreciable service. We see, therefore, that the communal principle, far from being confined to rent and capital, touches labour also. It permeates, therefore, *every factor of modern production*. It dominates the land question; it revolutionises capitalism; it transfigures labour. It were difficult to find a more cogent argument in favor of some sort of socialistic régime. But, it may be asked, suppose a man use his own capital in production, getting therefrom an increase which Adam Smith called *profits*, and which others have called *interest*, paid by himself as capitalist to himself as labourer? How then? The answer is that this does not in the least alter the case. It matters not what you *call* this increase which comes from certain uses of capital as a result of natural forces. *The effect is the same*. A generalised right in the earth carries with it a generalised right in all the properties, forces and tendencies thereof, and from this generalised right no particularised right can be drawn by any kind, sort or description of economic jugglery, or philosophical charlatanism.

It follows, therefore, since land is a communal right, and capital, apart from land, is merely yesterday's labour held in suspension, that the present method of interest taking would be, with rent left out, a division of the total product of labour between yesterday's labour and to-day's labour. How then should it happen that yesterday's stored labour acquires a sanctity surpassing to-day's fresh labour? Are we ancestor worshippers like the Chinese? Is even the *recent* past so sacred?

We have seen that the fresh labour (labour until now uncombined with the earth) is at least as essential to production as the stored labour,—that is, the labour already once combined with the earth. Moreover, since capital is exchangeable for labour and *vice versa*, why should the "bounties of Nature" accrue to one and not to the other?

If a man have a piece of capital, say a hoe, he can either let it to another or use it himself. If he use it himself until it be worn out, whatever advantage attaches to it as a tool of production would show in his results, and would be measured by the excess of these over the results which could be produced by the same labour without the hoe. This excess Adam Smith would call his *profit*, and some others would call the *interest* of his *capital*. If, now, he were to loan his hoe he would, according to many of the college economists, charge an interest representing the advantage it would give to labour, but being just enough less than the whole value of the advantage to make it worth while to borrow the hoe. Now, while it is easy to conceive conditions under which interest would not be determined in the



## GILLETTE'S INDUSTRIAL SOLUTION

manner just mentioned, it is equally easy to imagine cases where just this method of determining interest would obtain.

We see that there is a certain amount of advantage in the hoe which, in wearing out, it will yield back to him who wields it. The worth of the hoe *in terms of desirability* is the worth of this advantage; no more, no less. It cannot be less, because the hoe yields just this amount which would be lost were it not used. It cannot be more, because, if more were charged, it would be most profitable to forego its use. Note, then, these considerations. If the hoe can be hired for *less* than its yield, the user is advantaged over what he would be, working without this hoe, or any substitute therefor. If it can be borrowed for *just the equivalent* of its yield, it offers the user neither advantage nor disadvantage. If it can only be had for a consideration *greater* than its yield, its use offers a disadvantage to the user. If its owner wears it out himself in use, he gains, as we have seen, a trifle more than he would charge were he to loan it to another, and loses the hoe when worn out. (We are referring to conditions which permit the capitalist to charge for interest nearly the entire yield of his capital). If, now, the owner lends it to another he gets, in interest, substantially what the hoe will yield when he uses it himself *and a new hoe as well*. It will be seen, therefore, that when the owner of a hoe lets it out at interest, he gets more from it than when he uses it himself. Who pays this difference?

If Smith owns the hoe and Brown borrows it, Brown has to pay for it more than Smith can get out of it by using it himself. Let us make this plain, and, in striving to do so, we will consider merely the qualitative side of the question omitting all confusing quantitative considerations. Brown borrows a hoe, pays interest and returns a new hoe when the old one is worn out. Brown pays for the hoe practically what it will add to the efficiency of labour not so aided. If the hoe be considered as holding latent within itself a certain amount of product which labour can conjure forth by wearing it out, our thought will become clearer to the reader. Now Brown pays about what the hoe contains in latent form, which is to say its productive worth, in interest. This is one payment. Then he makes a new hoe containing the *same latent possibilities* and turns this over to the capitalist from whom he borrowed the original hoe. This is another payment; therefore, Brown pays twice for the hoe. When Smith uses the hoe himself he conjures forth by his labour the latent productive worth of the tool and wears it out in the process, so that he can get but *one value* out of his hoe by *using it*, while he can get *two values* out of it by *letting it out at interest*. In this case it will be seen that Brown is robbed of exactly this difference between what Smith can get out of the hoe by personal use and by loaning it to him. It will also be noted that such a scheme of affairs is not intended to encourage productive labour on Smith's part.

If we assume that it takes a day's labour to make a hoe; that the tool enables one man to do in one day the work of two men not so equipped; and that the hoe wears out in a single day's use (it matters not the size of the units we use, as our reasoning is qualitative, not quantitative) then Smith, starting without a hoe would

## GILLETTE'S INDUSTRIAL SOLUTION

spend one day making it, would use it for a day wearing it out, and would have the total product of two unaided men working one day, to show for his two days' labour. If, now, he make the hoe and loan it to Brown, he spends one day in the making, works the second day, we will say, without a hoe, and then Brown pays him the productive worth of the hoe (approximately) that is, one day's labour, and also makes a new hoe to replace the old one worn out, so that, on the night of the second day, Smith has his day's produce, his returned capital in the form of a new hoe,—equivalent to one day's labour,—and his interest,—(also equivalent to one day's labour),—which in all gives him three days' product for two days' work.

We have chosen here a case where the use of the hoe on the part of its owner shows no increase whatsoever, neither does it show any advantage to the borrower, but rather a disadvantage, yet we see that if Smith can induce Brown to borrow he is able to rob him. It is easy enough to say that Brown would not be fool enough to borrow under such circumstances, but we had best not be too sure of that, since we shall see, as we progress, that interest, in any form, is an all but equally palpable robbery, and yet the robbery goes on year in and year out, and defenders of the régime are as thick as professors of college economics — just about.

We have seen that Smith gets three days' product for two days' labour by loaning the hoe, while he could get but two days' product for two days' labour if he used it himself. Where does he get this extra day's product? Let us see. Brown works a day while Smith is making the hoe and makes a hoe for himself. He is so proud, we will say, of this evidence of his skill that he cannot bear to use the tool, so he foolishly borrows Smith's hoe for the second day, and with it does the work of two unaided men. Half of this product, or the equivalent of one unaided man's labour for one day, he pays as interest, and then, to his dismay, he bethinks him he must make good to Smith the principal as well, so he has to sacrifice his new hoe. So, for his two days' work, he has left just the product of one unaided man working for one day. *This is where Smith gets his extra day's product.* Smith works two days and gets three days' product, and Brown works two days and gets one day's product. This shows how interest robs labour. It will be noted that the severity of the borrower's lot varies as varies the ratio between the time it takes to create the capital and the amount of assistance the capital affords. In the case we have just cited we have made each of these unity, in order to present the matter in its simplest form. Since it takes a day to make a hoe and only a day to wear it out, while it can add but one day's product to him who uses it, it will be seen that it offers no inducement for a man to make and use it, and here is the point which we wish to emphasise to the utmost, namely, that capital, whose productive yield is so low that it does not pay to create it for one's own use, is yet an efficient tool to pry the earnings out of any labourer's pocket who may be induced, or *forced* to borrow it.

As we have already hinted we have written the above in refutation of the views of those economists who, in defending interest, assume that the amount of interest charged for any bit of capital is governed



## GILLETTE'S INDUSTRIAL SOLUTION

by, and is slightly less than, the increase which comes from the use of that capital over what would result were its use foregone. As a matter of fact we are quite aware that the selling price of a tool would not, under conditions of free production and exchange, be measured by the amount it would increase the productivity of labour, but would rather be determined by what it would cost to produce it — assuming, as premised, that there is nothing to hinder its production. When monopoly steps in, then the traffic is taxed “all it will bear,” and the price of a thing is governed, not by its *cost of production*, but, as the phrase indicates, it is limited only by what the buyer or borrower can be made to pay rather than go without it. Under such monopolistic conditions, and no one need look far for examples of them, the lender of capital will see to it that he takes, as interest, all but that modicum of advantage which his capital yields, and which is necessary to form a sufficiently enticing bait to keep borrowers borrowing. This presents a perfect analogy to what occurs in the case of rent when land is monopolised. The landlord will tend ever to take as his share all but a bare subsistence.

In connexion with this theory that interest is a reward paid for abstinence, we wish to insist yet again that the standard by which we test the rightness or wrongness of any social régime is the standard of an *ideal community*, quite irrespective of considerations as to whether or not such a community will ever exist in practice. Now, in any imaginary ideal community — or for that matter under any reasonably good social régime — all men would have more than their barest necessities, from which it follows that any who would sacrifice all but his necessities could accumulate capital, and, if interest obtained, could subsequently, as we have seen, lay his fellows under tribute. So far from its being a meritorious act for one to forego all but his bare necessities for such a purpose, it is distinctly wrong, and the injustice and folly become evident when we realise that, if all were equal and all pursued the same course, *disadvantage would result to all; advantage to no one*.

We see, therefore, that interest taking is a process incapable of being perfectly generalised, and we would again call attention to the fact that no régime is right which, when the attempt is made universally to apply it in *principle* breaks down and will not work.

## **CHAPTER XXX**



Without the great arts that speak to his sense of beauty, man seems to be a poor, naked, shivering creature.

*Emerson.*

The object of all education should be to increase the usefulness of man — usefulness to himself and others. Every human being should be taught that his first duty is to take care of himself, and that to be self-respecting he must be self-supporting. To live on the labours of others, either by force which enslaves, or by cunning which robs, or by borrowing or begging, is wholly dishonourable. Every man should be taught some useful art. His hands should be educated as well as his head. He should be taught to deal with things as they are — with life as it is. This would give a feeling of independence, which is the firmest foundation of honour, of character. Every man knowing he is useful, admires himself.

*Robert Ingersoll.*

If we create a new and wholesome environment for human beings, we shall quickly see the result in a new humanity. Heredity will take care of itself. Each generation of children will be better than the preceding generation. There will come a deeper and truer sense of the fatherhood of God and the brotherhood of man. Justice will take the place of injustice, the commercialism engendered by the fierce struggle for life will melt away, and men will become more human and more divine.

*E. P. Wentworth.*

A defective, sick, or dead plant is an unpleasant sight. A defective, sick, or dead animal is a more unpleasant sight. But the depth and ramifications of misery and horror in a defective, sick, or dead society, — this is what has made us call this fair world "a vale of tears."

*Charlotte Perkins Gilman — Human Work.*

How will the future reckon with this man?  
How answer his brute question in that hour  
When whirlwinds of rebellion shake the world?  
How will it be with kingdoms, and with kings —  
With those who shaped him to the thing he is —  
When this dumb Terror shall reply to God,  
After the silence of the centuries?

*Edwin Markham — The Man with the Hoe.*

## CHAPTER XXX



**I**F the taking of interest constitutes a robbery of labour it must leave labour with less than that to which it is justly entitled. It is of the utmost importance then to determine, if possible, just what rights an individual has in that which is produced through the application of his labour to the earth. What are an individual's rights in his production — in what he produces? It need hardly be pointed out, of course, that a man's right in his production, or in anything else for that matter, must be consistent with justice which is, as it were, but a consensus of all rights of all men. A natural right being inherent and inalienable cannot be said to be acquired, or to result from any special act or acts, or failure to act, on the part of any individual. Such rights may trail after them acts as *duties*; but they are antecedent to all acts, whence it happens that each individual must have the same rights as every other individual — in short, no régime can offer perfect justice to all mankind which is not capable of extension *throughout the whole human race*.

A just system must not discriminate in the estimation of a hair. It must be perfectly democratic and must result in equality, since there is no *ground* for inequality with an *inherent* right,—a right flowing from the nature of things in general, and not from that of an individual or his acts in particular. We do not mean to say that, in leading to equality, justice would permit the man who laboured to-day to reap as much product as he who performed an equal service for a week. This would be anything but justice. The kind of equality justice demands, is that equality which secures to each individual a similar return for a similar service, and here we have to call attention to an inconsistency which seems to beset most of the economists with whose writings we are familiar. We refer to a persistent tendency to deal with man as neither a social nor an unsocial being. Now, it seems to us that if ten savages, who had never seen each other, suddenly were to find themselves the sole inhabitants of an island, they would each immediately have to adopt one of two alternatives, namely; either to maintain their individuality intact or not to. If they chose the former course, and lived up to it to as great an extent as they could (it would not be possible for them to do so beyond a measurable extent) they would be obliged to avoid all relations with each other, save perhaps those of enmity in the form of that physical competition which we moderns conveniently call *war*. If they decided to take the other alternative they would immediately come into relation with each other, and would start some type of primitive society.



## GILLETTE'S INDUSTRIAL SOLUTION

Now, here is the point; the dominating and controlling aggregate in these two cases would be entirely distinct. In the first instance the highest tribunal; the court of last appeal; the thing to be conserved; the only aggregate at all to be considered, would be the individual savage himself. In the second case, however, the social body would be a larger and a higher aggregate. If the individual offended that aggregate he would be made to feel its displeasure. Now these two régimes represent two distinct strata,—*two absolutely different planes in the life-history of the race*, and a man must be either on one of these planes or the other. He cannot possibly occupy both of them at once. The moment he becomes a part of a social aggregate he places his foot upon the social plane as a social being. He may be *imperfectly socialised*,—heaven knows we are all of us too far away from real socialisation!—but he is no longer on the individualistic, non-social plane. Those who believe that Nature will permit men to live in society while they are less than one per cent. socialised, ought to believe in the possibility of jumping half way over Niagara.

It has been said that there is no middle ground whatsoever between Socialism and Anarchy. If, now, we realise that anarchy, in its *essence of unalloyed individualism*, cannot be practised where individuals associate and coöperate, we realise that the choice is not between some type of Socialism and some type of Anarchy, but rather between Socialism and *no society at all*. When men come together they invariably either compete for each other's lives, or they, in some degree, coöperate, and the moment they coöperate you have a newly formed social aggregate, and from that time the whole process of social betterment is merely a process of more perfectly socialising the component parts of this society.

To make our thought yet clearer with regard to this assertion that there is no middle ground between Socialism and Anarchy, we would call attention to the fact that we may fairly ask the advocates of Anarchy, either to prove that Anarchy is spontaneously natural to man, on the one hand, or, on the other, that it is an artificial product developed by human intelligence and showing a racial advantage. The second of these views we need not here consider, since we believe they are sufficiently refuted elsewhere, and for the further reason that the most stubborn contestants for philosophical Anarchy hold, we believe, to the former view, contending that anything other than Anarchy is an artificial result and, therefore, unnatural. We find ourselves unable to accept this view, and unable also to accept the postulate that man has no inalienable rights, in short, no rights at all. Man is an evolved animal who carried across the brute-savage border-land the heritage of the animal. All this, of course, happened in prehistoric days, so that we have no authentic records of the exact psychic conditions of primordial man, or of his relations with his fellows. There is a way, however, by which we may tell, within a very narrow margin of error, what these conditions and these relations were. We have only to consider the social relations of animals in order to assure ourselves that the social condition of primitive man was, at least,

## GILLETTE'S INDUSTRIAL SOLUTION

as highly evolved. What then do we find among the animals? Are their relations invariably anarchistic? And if some are anarchistic and some are not, do we find that the highest types are, and the lowest types are not? By no means. Quite the reverse is the fact. They are not invariably anarchistic, and the highest types are partly socialised, with apparently definite ideas of right and wrong, and a conception of something akin to the human *ought*.

Romanes, Spencer, and others, have clearly shown that our domestic animals not only respect the rights of ownership in some cases, but that they show a perception of right and wrong, and exhibit a sense of duty both to other animals—not always of their own kind—and to human beings. We have sufficient evidence that, in some cases, animals take upon themselves voluntarily certain duties of an entirely altruistic nature; indeed, we have the statement of Mr. Ernest Thompson Seton that the moral status of animals is lowered, rather than raised, by their contact with man.

In a most interesting article published in "The Century Magazine" for November, 1907, this author shows that animals have an unexpectedly long list of laws which they, for the most part, do not infract. For example, this author tells us that there are animal laws against disobedience, murder, sexual impurity, stealing, bearing false witness and coveting. That animals have a well-developed code of property rights all close observers know, but not so many are aware that, in some cases, the manners and customs of lower races are so like those of animals in some particulars as to force one to believe either that they are the natural evolution thereof, are suggested by, or borrowed from, these lower life-forms. As an illustration of what we mean, consider some of the animal means for indicating ownership. Take the case of squirrels, who mark nuts as their own by turning them round in their mouths three or four times and licking them; and then note the human parallel of the Eskimo of Davis Straits who, according to Franklin, lick each new acquisition by way of formally taking possession of it. Mr. Seton tells us further that sailors commonly spit on a newly gotten article for a similar purpose. Scores of instances could be adduced to show that, before the vertebrata reached the human state, animals in all probability had a relatively complex social system of *oughts* and *don'ts*, but it is not necessary here further to elaborate the point, since what has already been written is quite sufficient to show that animal evolution is away from anarchistic and toward socialised activities. We submit, therefore, that the anarchistic régime is *not* a natural one, and that it does not inhere in the fundamental laws which govern the universe. If, therefore, it is to gain credence as the *summum bonum* of all human conditions, all philosophical minds will insist on accepting it, if at all, as a *man-devised* improvement and will further insist on critically examining its credentials. What these credentials are is sufficiently considered elsewhere.

Let us return now to our original question, namely; what rights has a man in that which he produces? We answer this question thus. If a man have a right to any part of his production, he must have a right to the whole of it. This is our reasoning.



## GILLETTE'S INDUSTRIAL SOLUTION

Either a man has a right to as much as he produces or he has not. If he has not a right to as much as he produces, then he cannot have a right to *more* than he produces, and, therefore, under a régime of justice, predicating equal natural rights to all mankind, no man can have such a right; and therefore no man can have a natural right to the production of another. If no man has any natural rights in the production of another, then the producer must have all the natural rights that *any one has*, wherefore, it follows that if any one has any rights to his production *and the whole of it*, that man is the producer. We are not speaking of the exact thing produced, but rather of the value of that thing, so that we may say finally, that if any man has a right to the full value of a thing produced, that man is he who produced it. More than this; if any man has any rights in the value of a thing produced by a labourer, that man is the labourer himself, up to the full extent of the productivity of his labour.

This still leaves us to consider what an *individual* produces and what *society* produces. If we plant a bushel of grain from which results a yield of one hundred bushels, we are wont to speak of having "produced" one hundred bushels of grain. When we consider, however, that society, through countless ages, has implanted ideas in man's brain and nourished him and dowered him with its accumulated experience, until what would otherwise have been an ignorant savage, incapable of agriculture or any civilised pursuit, has become an intelligent farmer; and when we further realise how the specialisation of society has enabled him to achieve a productivity which otherwise he could not achieve, and then has given him a market for it, we begin to see that when exact justice is done society inevitably will claim a large share in the products of its component parts. Were we to push this question to its logical conclusion, it is doubtful if the farmer would get back, as his individual *unsocialised* product, more than his seed. This is not to say that he would not get it, for on the contrary, he would get immensely more than now; it is only to say that it would come to him as a socialised part of a complex and highly organised society, and not as an individualised return to an individual worker.

We wish, even at the risk of repetition, to emphasise as much as possible this difference between an individualised savage and a socialised human being. We say *individualised savage*, for the reason that man cannot possibly become *civilised* until he has become *socialised*. Let us consider for a moment the case of two primitive men, the sole occupants of an island. They would, perforce, either coöperate or they would not; that is to say, being primitive beings inhabiting a circumscribed area so small that they were continually meeting, they would either establish relations of enmity or of friendship. If the former no society could result, and we accordingly may, for our present purposes, eliminate this alternative. Assuming, therefore, their relations to be friendly, let us consider how they would comport themselves. Suppose they agreed to coöperate upon the basis that one should furnish clothing and shelter for both,—or such primitive substitutes therefor as circumstances would per-

## GILLETTE'S INDUSTRIAL SOLUTION

mit,—while the other furnished food for both; and suppose that this agreement was made, as it naturally would be made, upon the assumption that the two tasks were equally arduous, which is to say, upon the assumption that they would justly exchange for each other. Let us suppose that Smith furnishes food, in the form of clams which he digs with his fingers, while Brown supplies the shelter, which, since he works, we will say without tools, will consist but of straw, plaited leaves, bits of branches which he can break off, and the like crude makeshifts. Imagine this régime to have obtained upon the aforesaid just basis for, say, a month, and then imagine that Smith suddenly discovers a thin, shovel-shaped stone which, it finally dawns upon him, will double his capacity as a clam-digger. Formerly, both he and Brown had to work, we will assume, eight hours each day to supply their joint needs. Now Smith finds that, with the aid of his stone shovel, he can get the same product in four hours. Primitive man is not fond of labour, as is abundantly proved by the well-known fact that he shifted all such burdens upon his women. The result would be that Smith would work four hours, and then amuse himself for four hours, taking care that Brown should think him still working; after which he would carefully conceal his stone shovel and go home with his clams. Brown, thinking the old régime still in force, would divide his product with Smith and say nothing. Now this increased productivity due to the stone shovel, Smith would not call interest, because he would be entirely unacquainted with college economics, yet it would *be* interest, as we know it to-day, and it would make no difference in definition whether he worked four hours and amused himself the next four, or worked the whole eight hours and produced twice the product. The essential point is that the advantage which came from the use of the stone shovel, whether taken in the form of amusement or increased production, would be interest. Smith takes the advantage in the form of amusement for two reasons; first, primitive man never works when he does not have to; second, there being but a society of two, and these two needing but the daily product of four hours clam-digging with the stone shovel, he would gain nothing by digging additional clams only to spoil. Smith, therefore, would be a primitive capitalist, living partly upon the labour of Brown, who would be just as much robbed of his just rights by Smith's interest-taking as he would have been on the original basis, if Smith had compelled him to do two-thirds of the entire work.

Were Smith a professor of college economics he would defend his position by saying that the increase resulting from the stone shovel, which he could call his *interest*, or his *profits*,—according to what kind of political economy he taught,—was his by right of invention; that he had made two clams come to the surface where only one clam came before, and that this extra clam was his just right. Bear in mind that there is no borrowing in our illustration, the point we are considering being what is commonly called the “earning” power of capital.

Let us see what happens when, a few days later, Brown dis-



## GILLETTE'S INDUSTRIAL SOLUTION

covers Smith digging with his stone shovel, a sight which so amazes him that he stands speechless and unseen till Smith finishes his labour, secretes his tool, and betakes himself to his rest. Can we for a moment imagine that Brown will permit this state of affairs to go on? By no means. Primitive man as he is, he knows that four hours' labour do not justly exchange for eight, and he immediately insists that *the productive power of that stone shovel shall be socialised*. Instead of permitting the tool to be the equivalent of another man working for Smith, he insists that it shall be the same as another man working for *their society*. Can any sane individual question the justice of Brown's position? Is it not clear that the increase which comes from the use of capital would, *in such cases*, be demanded as a social right and not suffered to constitute a merely individual benefit? If Smith contend that he discovered this particular use of this particular stone, Brown will reply that he would have done the same had clam-digging been apportioned to him as his work, and he might also add, that even if the discovery resulted from Smith's superior intelligence, Smith was rewarded in possessing such an intelligence while he, Brown, suffering as he must from the lack of it, ought not further to be handicapped by an unfair division of the material wealth resulting from that intelligence.

Let us now change the illustration, enlarging our community from two to ten, keeping the pursuits the same as before, there being, if you please, five Browns producing shelter, and five Smiths digging clams with their naked fingers. The exchange of product is made as before, each Brown exchanging half of what he produces for half of what a Smith produces, all the wealth being pooled, as it were, and divided on this basis. Now suddenly Smith number one discovers the stone shovel and learns its value as a tool. If, now, we assume that it is agreed among the five Smiths that they shall jointly work each day until they together have produced forty hours of clam-product, figured on the original basis of unaided labour, what will Smith number one do with his discovery? Will he hide it from his co-workers? By no means, for he is coöperating with them as partners. He will confide it to his partners, because they are each parts of a larger Smith-aggregate, and it is immensely to his interest to explain his discovery to them and help to provide them all with stone shovels; for, by so doing, the original forty hours of clam-product will be produced in twenty hours, and after four hours of labour all the Smiths can rest. If Smith number one kept his secret to himself, he would have to work six and two-thirds hours before the equivalent of the original forty hours of clam-product was produced; whereas, by disclosing his discovery to his own partners, he would work but four hours daily. Would he also disclose it to the five Browns, or any of them? By no means. These five Browns, as a larger aggregate, stand to the five Smiths, as a larger aggregate, in precisely the relation that the one Brown stood to the one Smith. They are what we call in modern phrase, competitors. They are, if you please, two competing firms. Note now, that all the *deception* and all the *fraud*

## GILLETTE'S INDUSTRIAL SOLUTION

which the Smiths seek to practise upon the Browns, arises from this *competitive relation*. The Smiths are *socialised among themselves*, so that it pays for each one to try to raise his brother to the highest possible level of efficiency. The Browns are *socialised among themselves*, and the same is true of them; but between the two societies there exists that competition which results in man's depressing his brother as far as possible in deception, secrecy, falsehood, and dishonesty; the sowing of error and the concealment of knowledge. Could anything better illustrate the relative ethical values of coöperation and competition?

Let us further consider, for a moment, this question of the size of the aggregate which determines conduct, in order to ascertain its net result upon society as a whole. Imagine, if you please, two boat crews, one Harvard and one Yale, lined up for an intercollegiate race. A prize is offered to the winning crew. This at once divides all the rowers into two masses *competing* with each other as *masses*, but the members of each crew *coöperating* with *all their fellow oarsmen*. Now, so far as each crew is concerned, the ambitions, idiosyncrasies and abilities of each one of its members are held subject to the team-result. If one oarsman can pull a longer stroke or a quicker stroke than his fellows, he cuts down his reach and his speed to the point where it will make the greatest showing in connexion with the work of the rest of the crew. The only point considered is, how to get the boat around the course in the shortest possible time. The method by which this is accomplished is a perfect example of complete coöperation. When the word is given to start, each boat springs like an arrow shot from a bow, developing a marvellous progressive efficiency. Suppose, now, in the midst of the race, somebody shouts through a megaphone that the prize conditions have all been changed; that the prize will not be awarded to the crew first to traverse the course, but will, on the contrary, be given to *the best individual oarsman* to be found in *either* crew. Something akin to chaos immediately results. The boats slacken their pace; they swerve from their course; they begin travelling in circles which end nowhere. Each oarsman pulls the stroke that he thinks will come nearest to winning the prize, quite irrespective of what his fellow oarsmen are doing. The short strokes overtake and collide with the long ones. The strong strokes break in upon the weaker ones. The propulsive impetus on the two sides of each boat becomes unbalanced, and the boat moves lamely and stutteringly in a circular course. There is now *no aggregate larger than an individual*, and the result is that all that progress, for which these individuals originally were associated, is destroyed by the injection of the anti-social spirit of competition. So is it in the larger affairs of serious life. The grand possibilities which would come from the proper association and coöperation of all members of the race, is lost by a competitive régime which sets up as its goal an *individual* good instead of a *social* good — a régime which claims, in short, that an individual cell in the body social is of more importance than all the rest of that body.

It is customary among those who defend interest to contend that



## GILLETTE'S INDUSTRIAL SOLUTION

the capitalist confers an advantage upon the borrower, giving him more for himself, after he has paid interest, than he otherwise could get; that, therefore, the lender does not rob the borrower; and that he does not rob anybody else or do any man any injury. Furthermore, it is claimed that every man who borrows has just as good an opportunity himself to become a capitalist as had the man from whom he borrows, and that his opportunity to become himself a lender is not decreased by the fact that the man from whom he borrows gets his own living out of interest. More than this, it frequently is contended that the capitalist's returns will be just as great regardless of whether or not he is the only lender. This last position follows naturally from the reasoning of those who contend that interest is due to a natural increase; and it will continue to follow, up to the point where surplusage of capital cuts down that increase.

Now these contentions seem, on their face, for the most part, decidedly plausible,—in fact, we know of no theory so radically wrong as interest-taking, which has anything like an equal amount of seductive plausibility. Let us examine these contentions, however, to see if there be a single one of them that is logically tenable, and, in order that there may be no opportunity to escape conclusions, as is frequently done in considering a complex society without definite boundaries, we will stick closely to our little community of ten people upon their isolated island,—a community having only the most primitive needs, supplied in the most primitive way, by shelter and clams. We have seen that when the five Smiths coöperated to produce forty hours of clam-product daily, the discovery by Smith number one of the value of a stone tool in digging, was at once confided to his co-workers, for the reason that if he kept it to himself he would have had to work six and two-thirds hours daily, whereas, by assisting his fellows in getting similar tools he cut his working time down to four hours daily, a gain of two and two-thirds hours. From this it will be seen, and the point is of immense importance, that the line of least resistance in a properly socialised community is *toward*, not away from, as under competition, maximum productive efficiency of the *society as a whole*.

We did not advert, in this last illustration, to what would happen when the five Browns discovered that they were daily giving the results of forty hours of labour for twenty hours of labour, for the reason that it is evident the result would parallel that which followed in the similar case of the single Brown and the single Smith. Thus far there has been no loaning of capital, but we will now take the same community and see what will happen under an interest-taking régime. We will have the same five Browns producing the shelter, and the same five Smiths digging clams with their naked hands, with the single change, in this instance, that each Brown and each Smith must produce one-fifth of the required respective products. Working without tools this requires daily eight hours' labour. Now Smith number one, suddenly discovers the advantage which a stone shovel gives him. He gets his eight hours' clam-product in four hours, and is much rejoiced. Being a primitive savage, and, therefore, disliking work, he tries to hit upon some

## GILLETTE'S INDUSTRIAL SOLUTION

way still further to reduce his effort. The savage mind is by no means a logical mind, and he falls into the error of the Irishman who, when told that a certain stove would save half his fuel replied; "Begorra, Oi'll git two av thim, and save the whole av it!" Smith number one gets a second stone shovel, only to find that he has produced idle capital, since he can use but one himself, and the extra shovel will not produce clams unless it be wielded by a man. Thus he becomes the primitive capitalist searching for some means to make his capital "earn" him a "recompense." On one never-to-be-forgotten day, he conceives the idea of loaning his extra shovel to Smith number two for a trifle less per day than the product of an unaided man.

Now the reader must imagine that Smith number one has some means or other of preventing the other Smiths from getting their own shovels,—in short, from creating their own capital. It is immaterial to us, at this juncture, *what* prevents them from doing so. It may be that Smith number one has made some sort of patent agreement with them; it may be that they cannot spare the time or strength from their other work; it may be that they do not know enough;—it is immaterial what the reason be, but it is all but certain that it is *precisely the reason* which prevents labour to-day from creating the capital it needs, instead of borrowing it of another, and it is *equally probable* that this reason was then, as it is now, indissolubly connected with *some kind of monopoly*. Certain it is that Smith number two would be an idiot to pay approximately half his clams to Smith number one for the use of a shovel, if he could get one of his own for an hundredth part of that equivalent. However, be all this as it may, Smith number two does borrow Smith number one's shovel, and gives him therefor approximately the amount by which the tool increases his labour. Smith number one is working only four hours, but Smiths numbers three, four, and five, will continue working eight hours, so Smith number one insists that Smith number two shall use his shovel eight hours a day, and pay him therefor but a trifle less than the product of Smith number three, or four, or five. This happy thought on the part of Smith number one relieves him from the necessity of digging clams at all, therefore, he quits. At this juncture four men do all the work that five men formerly did. It is true that that work is now no more onerous than it was before for each of the four men, but that is very far from being all there is to it, as will be seen as we proceed.

Now, Smith number one has grown thrifty, for he has acquired a slight taste of despotic power, the love of which is even stronger in the savage breast than the dislike of work, as is evinced by the fact that primitive man will put forth a very considerable amount of effort in warlike activities. He goes to Smith number three, and loans to him his original shovel upon the same terms which exist in the case of Smith number two. Now he not only does not work, but he is *accumulating clams*, so that every day he receives a product approximately equal to that of Smith number four. Now, so far as the *community* is concerned, it may be said that



## GILLETTE'S INDUSTRIAL SOLUTION

three men are, to all intents and purposes, furnishing the communal food, for Smith number one is not working, and he is receiving and withholding from use practically the total output of Smith number four. But, as we have said before, Smith number one feels within him the stirrings of thrift and he decides that he will work, so he goes to producing *shelter* in competition with the Browns. The result is, that at the end of the first day there are offered *six* portions of shelter in exchange for *five* portions of clams. Smith number one exchanges his portion of shelter for a portion of clams, while Brown number one goes supperless to bed.

Let us now sum up the status of Smith number one for a single day under this régime. He produces a day's shelter-product, he gets a day's clam-product from Smith number two, and another from Smith number three, being three days' product for a single day's work. He exchanges his shelter-product for a day's clam-product, where Brown number one would have exchanged if he had not. He has then three days' labour-product all in clams and Brown number one is supperless. He exchanges one of these three days' labour in the form of clams, for Brown number two's day's labour in the form of shelter, and the other clam-diggers do likewise with their product. This impresses Smith number one as pretty good business. The next day he is about to repeat the same practise when, to his great joy, he finds that Brown number one is so hungry that he offers his day's shelter-product for less than a day's clam-product,—an offer which Smith number one eagerly takes.

Now, after this sort of thing goes on a few days, Smith number one has a number of days' labour represented in clams which he has carefully stored in the sand where they will keep fresh. He is learning to like the commercial game. His despotic power fascinates him. He is now prepared to operate on *both sides* of the transaction. He now buys not only Brown number one's shelter for himself, but he buys Brown number two's shelter, so that Smith number two is obliged to lie exposed to the weather. When the next day threatens a repetition of this régime, Smith number two offers his portion of clams for an inferior portion of shelter. Now Smith number one has waxed wealthy. He has stored clams galore, and shelter in abundance. He does not have to work, unless he wants to, for are not the two stone shovels like two mouthless slaves to him? so he takes a few days off and makes a stone ax,—which doubles his productivity as a producer of warmth and shelter,—after which he does, in the matter of shelter with his axes, just what he did in the matter of clams with his shovels, until in a short time, Smith number one is a monarch and the five Browns and the four other Smiths are his slaves. If any Brown objects to anything monarch Smith does, he sends him supperless to bed just as Wall Street administers its dreaded castigation to him who dares offend it. Now it is easy still further to show the baleful influences of such a régime, but we think enough has been said, on this particular line, to convince the unprejudiced reader that the taking of interest does harm to everybody in the whole social system, with

## GILLETTE'S INDUSTRIAL SOLUTION

the possible exception of the man who takes it. We believe that this sufficiently meets the contention that the taking of interest is *beneficial to the borrower, and harmful to no one.*

Let us next consider if there be any truth in the assertion that all men are equally free to create capital and to advantage themselves, like Smith number one, from its creation. Let us revert again to our community of ten individuals. Smith number one has just secured his first shovel, has loaned it to Smith number two for a return practically equivalent to the output of Smith number four. Smith number one decides not to work, for has he not a shovel working for him? Now, then, it happens that the food-product for this community of ten is resulting from the labour of *four men instead of five.* One drone has entered the hive, and this drone has found a way to avoid doing twenty per cent. of the total work originally falling to the five Smiths. This twenty per cent. permits him to remain in idleness. Smith number two observes this condition of affairs and puts his wits to work. By an intellectual and physical effort exactly equal, we will say, to that consumed by Smith number one in producing his shovel, Smith number two puts a handle upon it, which gives the workers such an increased leverage that they can do very much more work with it than with the ordinary shovel. He thinks this ought to enable *him* to become a drone, like Smith number one, for he is sure that the handle he has made will, in the hands of a man, save twenty per cent., of the communal clam-digging. He says if Smith number one saved twenty per cent., and secured immunity from toil, he ought to, with his twenty per cent. saving. He is dismayed, however, when he learns that, since four men are producing all the clams produced, his part thereof is not *twenty but twenty-five per cent.*; so, with much cudgeling of brains, he improves the handle the extra five per cent., and then retires from work as drone number two. When Smith number three similarly tries to avoid work, he finds himself confronted with a thirty-three per cent. saving which he must make, while Smith number four has to command an amount of inventive genius, skill, or other ability, sufficient to take a process highly improved from the primitive standpoint, and effect a *fifty per cent. saving*, while poor Smith number five finds himself doomed perpetually to perform the labour of all the Smiths, unless he can devise some means of making a hundred per cent. labour saving,—that is, unless he can get a mechanism that will dig clams absolutely without human intervention. We see, therefore, that it is emphatically not true that Smith number two had an equal opportunity with number one, or number three with number two, or number four with number three, or number five with any of them;—in short, that every man who takes interest makes it, in some degree, increasingly difficult for the next man to do the same thing.

Suppose all the Smiths and Browns were to try to follow the plan of Smith number one, and take interest? It is not conceivable that they could do so, for there would be no one to *create* the values absorbed as interest, and even if we could conceive of them doing so, the *net result* would be precisely as if



## GILLETTE'S INDUSTRIAL SOLUTION

no one did so. We see, therefore, that interest is not just and not equitable, *because it cannot be generalised*, and, furthermore, that if we try to imagine a case where it is generalised, we find, upon examination, that really we have imagined a case *where it does not exist*.

In order to see whether or not the lender robs the borrower, let us assume an ideal community,—or at least a free community,—in which there would be no legal or other restrictions to prevent Smith number two making a shovel for himself, if he did not like the terms imposed by Smith number one for the loan of *his* shovel. Now Smith number one should know that all that stands between the labourer and capital is the labour necessary to create the capital — (if other capital be necessary it only pushes the same proposition back one step farther) — and he should know accordingly that if his capital be loaned this labour-value should be returned to him, and is returned to him when the capital is given back intact. This is all he should ask, but he demands not only this, but a continual payment in the form of *interest* so long as the shovel is used. Smith number two objects to this and retorts, that, by just so much as he will save if he makes his own shovel instead of borrowing that of Smith number one, will he be robbed by such borrowing under the terms proposed. He asserts that there is nothing that stands between him and the shovel but a definite amount of labour, and, therefore, if he pays for that once that is enough.

This seems to us sufficiently to dispose of the contention that the lender harms not the borrower. The same subject matter however is graphically treated in a succeeding chapter in connexion with the Bastiat plane analogy. We wish to call attention here to the fact that, even if it could be shown that the lender did but benefit the borrower, it would not justify interest, for it would not prove that he did not harm all the rest of humanity. If interest interfered with the equal rights of a single Patagonian savage it would be wrong, though it wronged no other human being. Indeed, if it were proved that Smith's interest-taking harmed no being on earth, his right to take interest would then only be a contingent one, resting upon his right to do as he pleased so that he infringed not the equal right of others. Infringement of the equal rights of others would be to harm them, so that, if we should say that no one is harmed, we should at the same time say that no one's equal rights are infringed. Even in these premises one would have only the same right to take interest that he would to fly—if he could.

Another consideration worthy of note is that the theory of those who contend that interest flows from a natural increase, and should in justice equal that increase,—that he who possesses capital is justly entitled to all that capital “*earns*,”—cannot be worked out in practice. This is to say that justice, according to their definition thereof, is impossible. The proof is in the fact that, the moment the interest charged equals the “*earning*” power of the capital, *interest suicides*, for all borrowing ceases; therefore it is impossible to justify this thesis by getting from the borrower what is alleged to be justly due to the lender. Not only, therefore, can interest not

## GILLETTE'S INDUSTRIAL SOLUTION

be generalised so as to include all mankind and to offer to each an equal opportunity, but it cannot even be rendered absolutely just as between two individuals. It invariably robs industry, because whatever accrues to it, must be paid out of the fund created by industry. To say that a man is better off using borrowed capital than he would be without using any capital at all, is no more to justify interest than the fact that a drowning man could better afford to pay a thousand dollars for the use of a life-preserver than not to have one at all would justify such a charge for a life-preserver. Because interest *can* be taken, and because it *is* taken without any act of *overt* compulsion, no more proves that it *ought* to be taken, than Jones's ability to kill his child proves that he *ought* to kill it. Looked at from any standpoint, in the last analysis, interest is found utterly indefensible.

The following paragraphs enclosed in single quotes are taken from John Ruskin's "Fors Clavigera," and apparently are part of the fragments referred to by Mr. Ruskin in the following lines with which he prefaces them. "I have had by me, for some time, three little fragments from one of Mr. Sillar's letters:—*too eager*, always, in thinking this one sin of receiving interest on money means every other. I know many excellent people, happily, whose natures have not been spoiled by it: the more as it has been done absolutely without knowledge of being wrong. I did not find out the wrong of it myself, till Mr. Sillar showed me the way to judge of it.

'To get profit without responsibility has been a fond scheme as impossible of honest attainment as the philosopher's stone or perpetual motion. Visionaries have imagined such things to exist, but it has been reserved for this mammon-worshipping generation to find it in that arrangement by which a man, without labour, can secure a permanent income with perfect security, and without diminution of the capital.

'A view of it is evidently taken by Lord Bacon when he says that usury bringeth the treasure of the realm into a few hands: for the usurer trading on a certainty, and other men on uncertainties, at the end of the game all the money will be in the box.

'We have now an opportunity of practically testing this theory; not more than seventeen years have elapsed since all restraint was removed from the growth of what Lord Coke calls this 'pestilent weed,' and we see Bacon's words verified, the rich becoming richer, and the poor poorer, is the cry throughout the whole civilised world. Rollin in his Ancient History, speaking of the Roman Empire, tells us that it has been the ruin of every state where it was tolerated. It is in a fair way to ruin this of ours, and ruin it it will, unless England's sons calmly and candidly investigate the question for themselves, and resolutely act upon the conclusions to which the investigation must lead them.'"

The following, from a paper written by Prof. W. J. Beal, is also taken from John Ruskin's "Fors Clavigera."

"In an old scrapbook I find the following: 'No blister draws sharper than does interest. Of all industries, none is comparable



## GILLETTE'S INDUSTRIAL SOLUTION

to that of interest. It works all day and night, in fair weather and in foul. It has no sound in its footsteps, but travels fast. It gnaws at a man's substance with invisible teeth. It binds industry with its film, as a fly is bound in a spider's web. Debts roll a man over and over, binding him hand and foot, and letting him hang upon the fatal mesh until the long-legged interest devours him. There is but one thing on the farm like it, and that is the Canada thistle, which swarms with new plants every time you break its roots, whose blossoms are prolific, and every flower the father of a million seeds. Every leaf is an awl, every branch a spear, and every plant like a platoon of bayonets, and a field of them like an armed host. The whole plant is a torment and a vegetable curse. And yet a farmer had better make his bed of Canada thistles than to be at ease upon interest.'"

## **CHAPTER XXXI**



Until the conception that the poor are of peculiar clay is abandoned, no understanding of poverty is possible.

*Edward T. Devine.*

There is a good deal of talk just now about pauperising the poor with something for nothing. Isn't it queer that no one ever suggests that something for nothing pauperises the rich? Why should a slice or two from a loaf of bread, and a cup of coffee to wash it down with—why should these doles make a pauper of the hungry man who can't get work to do, while a gift of thousands a year from the common earnings makes a gentleman of the monopolist who doesn't want work to do?

*Louis F. Post.*

I take my place in the lower classes.

I renounce the title of gentleman because it has become intolerable to me. Dear Master, I understand now why you too took your place in the lower classes,

And why you refused to be a gentleman.

*Ernest Crosby.*

Like John the Baptist, we are called in this day to emphasise the principle of social service. The spirit of the age demands the full acceptance of this principle by the churches. In all other departments of life the old formula, every man for himself, is dying out. It should have no place in religion. Christian people should be ashamed to speak of themselves as "saved" so long as others are unsaved. Men say our churches have lost power. How shall that power be regained? The answer is in the Bible. Feed the hungry, clothe the naked, let charity be followed by justice and righteousness. The revival that exploits sinners for the purpose of swelling our church membership is doomed from the start. But the revival that is based squarely on self-sacrifice in social service will commend itself to the world and win the respect of men. Let the church forget its membership. Let it stop saving its own soul for awhile. Let it go to the world with open hearts and open hands. If the people will not come to the church, let the church search out the people, to save them not from some imaginary hell in the next world, but from a very real hell in the world that now is, the hell of poverty, ignorance and sin.

*Artemus Jean Haynes, M. A.*

Better housing for the poor does more to develop chastity than preaching it to two families who live in one room.

*Charlotte Perkins Gilman — Human Work.*

## CHAPTER XXXI



READERS generally may be divided into two distinct classes upon purely psychological grounds. The one class absorbs knowledge best through the eyes, while the other class is most impressed by impressions related to the ear. We all of us know people who can best understand a book by reading it aloud or having it read to them. Others wish to see it,—to read it themselves,—in order properly to get the sense of it. Realising that what might not be clear to some when expressed in words, would yet be clear if shown diagrammatically, we offer, in the following pages, some graphic illustrations of the effect of interest.

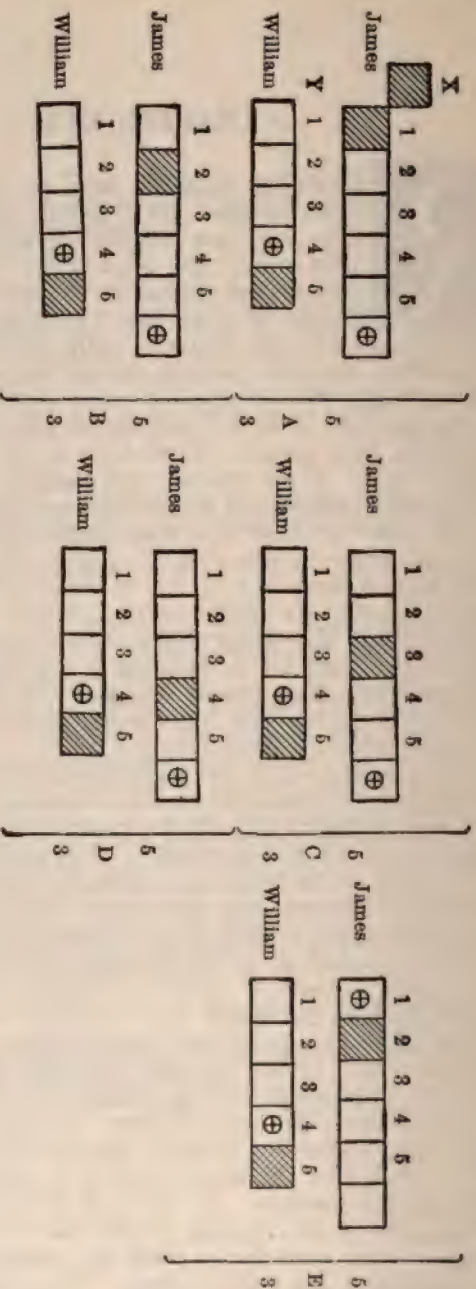
First in order let us consider the familiar plane illustration of Bastiat, slightly altered for convenience of explanation and illustration. In order to show this diagrammatically, so that the mind readily may grasp its principle, it is desirable to shorten the three hundred days, representing the life of the plane in use, to five periods of time which may be months or days, it does not in the least matter, since we are discussing *principles* not *amounts*. To bring the diagrams (see Chart O) within easy grasp, let us say that a plane can be made in a day; that it will last five days; that the interest charged for it during that time is one plank; and that this plank is the equivalent of a day's labour.

Referring to the chart the cross-hatched squares refer invariably to planes, and the numerals above the squares refer to the days. James's and William's accounts are grouped into periods of five days, as bracketed. Refer now to group A. The cross-hatched square X indicates a plane which James has previously made. This he loans to William on the morning of the first day of the five and William uses it in his work making a plank with it each day for four days, as per squares 1, 2, 3 and 4, which represent the planks. On the fifth day he makes a plane to return to James, and he also gives him the plank made on the fourth day, the square containing the crossed circle indicating this plank and representing a day's labour in the form of interest. It will be seen, therefore, that William has for himself *three days'* product to show for his *five days'* labour. James, immediately he loans William his plane on the morning of the first day, makes for himself another and works with it four days as indicated by the numerals 2, 3, 4 and 5, above the squares representing his account. At the end of the fifth day his plane is not quite worn out, because he has used it only four days. At this time William pays him a plank as interest, as indicated by the square containing the crossed circle. Thus James has, at the end of the fifth day, *five days'* product and the new plane which William returns, which is, of course, equivalent to a day's product,



# CHART O

## DIAGRAM I



## DIAGRAM II



James' account = + 25 days' product for himself + 4 planes consumed in his work.

William's account = 15 days' product for himself.  
 5 " given to James as interest and  
 5 " spent in making planes to replace James' which is finally returned to James, so that William gives James the equivalent of 6 planes as interest and returns the original intact.

## GILLETTE'S INDUSTRIAL SOLUTION

though we do not charge it down as such, for the reason that it is continually reloaned. James keeps this plane over night and in the morning loans it again to William for another five-day period shown at B, and William again repeats precisely the same operation as at A, working five days and getting three days' product for himself. He continues to do this same thing throughout the diagram, so that we need not further comment upon his account.

Referring to B it will be seen that James is able to work a day before his plane is worn out. The second day he makes a plane, uses it the third, fourth and fifth day, and receives a day's labour-value in interest, or a plank, from William in addition to a new plane, which is not put down on James's account because it is to be loaned again the next morning. James's account stands again five days' product with two days' wear still in the plane.

Referring to C it will be seen that on the third day James makes himself a new plane which lasts him through the third day of D, and so on until the fifth day of E, when he again makes himself a new plane. On this same day William makes a new plane to return to James. Now, if we add up the totals we find that James has received for himself, despite the fact that he has used up four planes, representing four days' labour which, since embodied in his work must be included in his account,—a product equivalent to twenty-five days' labour, in addition to two new planes, for his twenty-six days' labour, it being remembered that he started with the plane shown at X. William's account shows that he has laboured twenty-five days and has been able to keep for himself but fifteen days' product,—the other ten days being consumed as follows; five days given to James as interest indicated by the squares containing crossed circles, and five days spent in making planes to replace the principal borrowed of James in the form of planes, as indicated by the hatched squares, which principal is finally returned to James intact on the night of the twenty-fifth day.

It will be seen, therefore, that William gives James the equivalent of *five* planes as interest for *one* plane, and returns the equivalent of the original plane intact. At diagram II will be seen in parallel first what William did at Y of diagram I, and what he *should* have done, while to the right will be seen what James would then have done, in parallel with what William would then have done, the two drawings being identical. By referring once more to what William did at Y and what he should have done, it will be seen that he was robbed of one day's labour (represented by the square containing the crossed circle), the very first five days he worked.

Now, the defenders of interest are usually shocked at the suggestion that James should loan William his plane and receive in return nothing but a new plane. This appears greatly to offend their ideas of justice. They seem to think William is getting something for nothing. What, then, have they to say to the above illustration in which William gives James several planes, or their equivalent, and all for nothing? Is not a sauce for the goose also a sauce for the gander? If it is dreadful for William to get the use of one plane for what is alleged to be nothing, is it not five times as bad



## GILLETTE'S INDUSTRIAL SOLUTION

for James to get the value of five planes from William for nothing?

In the foregoing illustration we have shown James as a *labourer* who has capital to lend—a labourer who labours with part of his capital and puts the balance out at interest. In chart P, which follows, we show what results when James devotes all his time to the creation of capital and the lending it at interest. In this illustration it will be noted that there is *no compounding of interest*. If there were the results would be *even more favourable to James*. It also should be stated that the chief purpose of this diagram is to show the disparity of results between the *capitalist*, James, and the *labourer*, William. The letters B, C, &c. to P, represent other labourers to whom James loans his planes as fast as he makes them. As the accounts are only computed from August 1st to 16th inclusive (save in the case of James who begins July 31st), it follows that each succeeding labourer works for a term one day shorter than that of his immediate predecessor. As we are not interested in the returns of any of these labourers save William, except in so far as they affect James's return, we take no note of the labour they might have performed *prior* to borrowing from James the planes they use. Of course, the results would be far more telling if a longer term were used, but it would lead to a visual confusion which we wish to avoid. By referring to the part of the diagram opposite James's name, it will be seen that we have identified each plane by some special mark. That made on July 31st and loaned to William is represented by a doubly cross-hatched square; that made on August 1st by a singly cross-hatched square containing a circle; that of August 2d, loaned to C, by a cross-hatched square containing a circle in the centre of which is a period, and so on. The interest paid James,—which is a plank, the equivalent of a day's work and equal in value to a new plane,—is invariably designated by a circle containing a cross placed within a plain square. The numerals placed over the squares represent the days of the month. The columns headed, "Interest paid to James," "Net returns to borrower," etc., etc., will readily be understood by reference to the diagram.

Let us take, as an illustration, the horizontal line against the account of William. The first figure 3, falling in the vertical column of squares to the left of the second section of the chart, marked "Interest paid to James," signifies that William pays James three days' labour-equivalent. The figure 10 means that he is able to reserve ten days' value to himself. The figure 1 indicates that he has worked one day without paying in any interest, which is to be taken account of in the total. The second figure 3 indicates that he has returned three planes to James and borrowed them again. The 16 in the last vertical column means that he has worked sixteen days.

Coming now to the totals, we find that James has been paid twenty-four planks, or the equivalent of twenty-four days' labour as interest. In the third vertical column we find that, for nineteen days, planes have been used and no interest paid, so for the sake of round numbers, we add four days' interest to James's account, making

# CHART P

	July 31	August															Interest paid to James	Net returns to borrower	Extra days to be accounted for as interest	Number of planes returned	Number of days worked
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15					
James		⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕	⊕					
William		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15					
					⊕				⊕						⊕						
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16					
B					⊕	⊕				⊕	⊕				⊕	⊕					
		3	4	5	6	7	8	9	10	11	12	13	14	15	16						
C					⊕	⊕				⊕	⊕				⊕	⊕					
		4	5	6	7	8	9	10	11	12	13	14	15	16							
D						⊕	⊕				⊕	⊕									
		5	6	7	8	9	10	11	12	13	14	15	16								
E							⊕	⊕				⊕	⊕								
		6	7	8	9	10	11	12	13	14	15	16									
F								⊕	⊕				⊕	⊕							
		8	9	10	11	12	13	14	15	16											
G									⊕	⊕				⊕	⊕						
		8	9	10	11	12	13	14	15	16											
H										⊕	⊕				⊕						
		9	10	11	12	13	14	15	16												
I											⊕	⊕									
		10	11	12	13	14	15	16													
J												⊕	⊕								
		11	12	13	14	15	16														
K													⊕	⊕							
		12	13	14	15	16															
L														⊕	⊕						
		13	14	15	16																
M															⊕						
		14	15	16																	
N																					
		15	16																		
O																					
		16																			
P																					

19 Days = 4 days' interest ..... 4  
 James' principal = 17 " ..... 17  
 46

James, then, makes 17 days' work yield 46 days' results through interest, while William gets but 10 days' results for 16 days' work, he getting as much as any save James, therefore, the robbery of interest here is about 46 — 17 = 29 days' interest, or nearly twice James' whole legitimate return, and all this without compounding. If James let out each day's interest as it came in, the result would be much greater.



## GILLETTE'S INDUSTRIAL SOLUTION

twenty-eight days' labour received as interest. Now, since James's principal (sixteen planes of which is to be returned to him intact, and the last plane of which, according to the diagram, he retains unloaned), amounts to seventeen planes,—the equivalent of seventeen days' work,—we add this to the twenty-eight days' value paid as interest, and get for James's total forty-five days' results for seventeen days' work, while William, working equally hard, receives for sixteen days' work but ten days' results. By reference to the second column it will be seen that the net returns to all the labourers were ninety-one days' product, while the total number of days worked by them all, excluding the capitalist James, was one hundred and thirty-six days. The difference between one hundred and thirty-six and ninety-one, which is forty-five, went to James as interest and the return of principal. It will be seen from this chart just how interest robs labour. For the twenty-eight days' labour-product which James gets *without labour* comes out of the earnings of William and his fellow-workers, in the proportion shown in the first vertical column. The seventeen days' labour product which, with the one-day exception already noted, represents the return of James's capital intact is legitimate, *if we assume that James owned the capital at the start.*

Now it will not avail anything for any defender of interest to contend that William and his fellow-workers are better off, being thus robbed, than they would be if they were obliged to work without capital. All this sort of reasoning has been answered elsewhere herein again and again, and it really needs no further answer than the remark that they would be *still* better off to use the capital and not be robbed. A man who is drowning, and who is offered the refuge of a boat at an exorbitant price, will be better off with the boat, *even at that price*, than to go without it and lose his life. Who will have the hardihood to assert that the undeniable fact *justifies the price*? Here, as before, it is to be remarked that he would be still better off to have the use of the boat at a *fair* price, or at no price at all.

The fact remains that on this little earth of ours there is such a thing as *just values* for commodities, and these values, in their last analysis, invariably are labour-values; wherefore it happens that no amount of verbal jugglery, or economic sand-throwing, can blind the close observer to the fact that he who gets the *value* of a day's labour without *doing* a day's labour, gets the value of a day's labour which some *other* man has performed.

*All interest is paid by labour*, and we can at any moment compute just how many thousands of people would have to give their entire lives, in order to earn the interest on the national debt.

In the preceding volume of this work, we gave at page 555, the following very modest computation of our own—a computation which seems vanishingly insignificant in the light of those we offer after it.

"Had the equivalent of twenty-five dollars of our money or approximately £5 sterling been placed on interest in England at 5 per cent., say, in the year 1690, during the reign of William and Mary, it would forthwith have begun to 'earn' wealth for its possessor. Four years later, when the Bank of England was founded, it might have secured 8 per cent., but suppose a straight rate of 5 per cent. per

## GILLETTE'S INDUSTRIAL SOLUTION

annum compounded had been adhered to. In the year 1903, this original 'labour value' of \$25 would have grown by its 'earnings' to the tidy sum of \$819,200. According to the last census the average earnings of wage-earners was in the vicinity of \$438.00. For the sake of round figures let us call it \$440. At 5 per cent., \$819,200 yields annually, or according to present phrase, 'earns' annually \$40,960, which is a sum sufficient to cover the wages of 93 persons at \$440.00 per year. We see, therefore, that the frugal individual who, say in 1690, put by the results of two weeks' work, started then and there what our economists call an 'earning' mechanism which in the year 1903 is able to control the lives of 93 persons, and if this same mechanism were kept perfectly intact for a matter of 500 years or so longer it would control the lives of every man, woman and child upon the face of the globe, assuming the population to remain sensibly constant. It is something akin to this, though in a less degree, which is making its presence felt to-day upon every hand. It is a pleasant fiction of the rich to speak of their money as 'earning,' while they themselves perchance do nothing but waste. The fact of the matter is that wealth does not 'earn' anything, but that it simply confers upon its possessor the *power to levy* upon the *real* earnings of labour. The age-long mistake which has been made in this regard is one of the fruitful sources of our present inequality."

In a preceding chapter (see page 270) we have offered a computation by Proudhon in which he shows that one hundred francs loaned at five per cent. compound interest for a term of six hundred years would amount to 107,854,010,777,600 francs, "or more than twenty times the value of the terrestrial globe." While a hundred francs, borrowed in the reign of St. Louis, would have amounted, at the date of his computation, "to nearly one hundred and eight thousand billions."

It has been computed by Mr. G. B. McIntosh of California that if one cent had been placed at 10 per cent. simple interest at the beginning of the Christian Era, it would, in the year 1893, have amounted to \$1.90. If compounded decennially, the amount would have been \$7,986,376,-320,275,538,370,639,884,571,342,117,176,933,184,657,745,519,906.24. If compounded annually it would amount to \$5,875,599,106,395,029,265,524,925,529,380,303,369,384,770,483,733,512,726,546,909,131,031,125,625,405.44.

We close these computations with the most impressive one which has ever come to our notice. It is that of Dr. Jabez Fisher, and forms a part of a paper entitled "Dividends versus Brotherhood: Interest, Rent and Profit Unchristian." We give it in the Doctor's own words though it is stated at some length, and append to it some of his own remarks regarding it:

"I wish here to ask your attention to an illustration of the power which is conferred by law upon money, which in itself is of little value, but is authorised to represent wealth all over the earth. Suppose that Mary, at the birth of Jesus, had asked Joseph to invest one gold dollar, that it might multiply and be used for the benefit of the cause for which the child was to give his life, and that later, previous to his own death, Joseph had provided by his will that the dol-



## GILLETTE'S INDUSTRIAL SOLUTION

lar should be permitted to accumulate until the expiration of nineteen centuries. What would it amount to? You think it would take too much time and an immense amount of figures to obtain the result. Let me show you a short cut, which, to be sure, will give only an approximation and very much within the truth, but one which can be easily carried out.

"A dollar placed at interest at six per cent., which is the legal rate in this state, but considerably below the rate at which the average of all the money of the country is invested, will, if compounded annually, require almost exactly twelve years to double itself. To facilitate our problem I will call it twelve and one-half years, so that it will double eight times in a century. We shall find that at the end of twelve and a half years our dollar has become two dollars; at the end of twenty-five years, four dollars; at thirty-seven and a half years, eight dollars; at fifty years, sixteen dollars; at sixty-two and a half years, thirty-two dollars; at seventy-five years, sixty-four dollars; at eighty-seven and a half years, one hundred and twenty-eight dollars; and at the end of one hundred years, two hundred and fifty-six dollars. One dollar at compound interest at six per cent. becomes two hundred and fifty-six dollars in a single century. What a wonderful power it seems, to confer upon an inanimate substance having intrinsically so small a value. To keep our problem within round numbers, we will throw off the six dollars, and start with an even two hundred and fifty. At the end of the second century we shall find that our fund amounts to sixty-four thousand dollars. This process is to be continued through the nineteen centuries, and the necessary figures, by adhering to round numbers, may all be contained on a single page of note paper. If you undertake to go through it you will be amazed and overwhelmed at the result. Let me break it to you gradually.

"You might guess that it would be a sphere of gold as large as the moon, but the reality would laugh at you, and ask you to guess again. You might naturally say that it would be as large as this earth. Reality wears a broad smile, and tells you to 'Try, try again!' You then select the largest body of matter you know, the sun, and when told that you are still away off, you give it up as being unrepresentable and inconceivable.

"Perhaps you may get a little better idea of the immensity of our lump of gold by imagining it to be in the form of a cube. Suppose that we take the distance from our earth to the sun, about ninety-three millions of miles, and conceive a cube having that measurement on each of its six sides. I think you will be not a little surprised when I tell you that such a cube would contain only one hundred-thousandth part of the product arising from the compounding of interest on one dollar for the period of nineteen centuries. The real cube, according to our figures, would have a measurement of forty-six hundred millions of miles on each of its sides; and, owing to our short cuts, even this would represent only a small fraction of the truth. One person has taken pains to go through the problem carefully, and the exact result given by him in the Standard Dictionary, and which I dare not question, makes our results too small by billions upon

## GILLETTE'S INDUSTRIAL SOLUTION

billions of times. But our mode of getting the result will answer. It is large enough for our purpose.

"Do you begin to realise that such a lump of gold might fairly court your worship? It would be hard to find God if he were the other side of it. Is it any wonder that Mammon has become the God of even the Christian world, when such a power is given to gold or any other inanimate thing as to absorb more than all the wealth of the world into a few hands? Does not the rest of human kind suffer from deprivation when the few appropriate? Is such a consummation just or equitable, or brotherly or neighbourly? If a rich man shall hardly enter the kingdom of heaven, why should any one strive to possess wealth, unless hell has more charms than heaven? Hell, to my mind, exists whenever and wherever selfishness is predominant as the ruling motive; and conversely, heaven is present whenever and wherever the Christian graces abound and inspire mankind with their elevating and ennobling influence.

"But it will be said this illustration is not in any sense a supposable one. It is true that no man ever lived nineteen hundred years, or if he had, could have kept his gold accumulating without interruption; but the law permits it, and man strives to take full advantage of it while he does live, notwithstanding the attempt necessarily breaks down every few years, from the utter impossibility of its realisation.

"The total wealth of this magnificent young and rapidly growing republic has not increased during the last decade more than about two per cent. per year, and a very considerable portion of that comes about by marking up the valuation of the old wealth, rather than the creation of additional new; and if such be the case, how can individuals pay an interest of six, eight, ten, and in many cases a much larger per cent.? It cannot be done, otherwise than temporarily. Failures in business are constant, and during the frequently recurring periods of financial panic there is an enormous shrinkage of values and a long period of stagnation and suffering in consequence. Note some recent failures, in which the liabilities are among the hundreds of thousands, with assets little or nothing. Was the attempt of these creditors to realise six per cent. for the use of their money successful? Is it not exceeding strange that in the face of constant and repeated failures to accomplish the object of multiplying wealth, by a power which it does not possess, the attempt is again and again repeated, in the hope of a different result? What apparent success is attained, through trusts and otherwise, is directly responsible for all the failure of the wealth-producing class, largely the wage-earners, to obtain an equitable share of the wealth that they create, and thus entails upon them want, poverty and suffering that lead to crime and suicide."

What retort does the other side make to this stupendous showing? What reply *can* they make? They can only point out that such interest could not accumulate for the reason that the unthinkable sums — the enormous earnings of labour — would, as they accumulated, progressively reduce the rate of interest so as to bring the total sum within the ability of labour to meet it. *What a confes-*



## GILLETTE'S INDUSTRIAL SOLUTION

sion! The explanation is more damning than almost anything else which could be written. It is an admission, on the one hand, that the reason why interest does not build up artificial sums greater than all creation, is merely because these sums cannot be realised in fact, in short, that interest is a Minotaur which does not satisfy its appetite simply because there are not *victims enough* to subserve such an end. On the other hand, it is an admission of what the defenders of interest are not willing to admit when presented in certain forms, to wit; that interest comes out of the labourer, and under the present régime tends ever, like its twin, rent, to press the confines of subsistence; that the interest taken *to-day* defeats, in a measure, the so-called "earning" power of the capital which is to be loaned *to-morrow*; that an increasing volume of capital means a decreasing rate of interest, *while a plenitude of capital means no interest at all*, and perhaps a *surplusage of capital* might even mean the *payment of a small fee for its maintenance*, with the inevitable corollary that, if interest, decreases as capital increases and becomes generalised, then, if interest-taking be a régime which it is good to perpetuate it must, other things equal, be bad for men to possess a plenitude and an equality of wealth. In short, it must be bad for men to have an *equality of opportunity* and, by its use, attain *equality in wealth*!

In a very excellent series of articles upon the subject of social service, Mr. Louis F. Post, one of the foremost of American Single Taxers, says in part: "If all men are beggars, from whom shall men beg?" Did you ever read that? It's from the 'Mendicant,' by George Francis Savage Armstrong; and he hit the mark plumb in the centre when he wrote it. Bear with me again for a moment, Doctor:

"Sakya-Muni, Guatama Buddha, what dost thou proffer of hope or of mirth?

'What shall I do to be saved' from the sorrow, passion and terror, and madness of earth?

What is thy gospel, O prophet of India? What hast thou left to me, child of the sun?

What is the balm for my pain thou hast promised me? What is the crown when the race hath been run?

'What shall I do to be saved?' Thou hast answered it: 'Labour not forever, but beg for thy bread;

Live as a mendicant; marry not; mortify flesh; let a life of Nirvana be led.

So shalt thou find in the depth of thy passions, growth of thy spirit, composure and rest,

Passing through indolent days of humanity on to intangible joys of the blest.'

Sakya-Muni, Gautama Buddha, bending I heed thee, but find in thy law

Something that baffles me, doubtful consistency — lo, in the weft of thy wisdom a flaw —

## GILLETTE'S INDUSTRIAL SOLUTION

Look to it, Gautama, Sakya-Muni, sweet is the bulbul, but hollow her egg.

How shall thy gospel suffice for the many? If all men are beggars, from whom shall men beg?"

"Can't we make Armstrong's wholesome question apply to our little confab? If all men are givers but not getters, what withal shall they give? Ah, it is neither giving alone nor getting alone, but mutuality of giving and getting, that distinguishes normal social life."

We have already considered the Single Tax defense of interest, and we cannot refrain, in this connexion, from paraphrasing Mr. Armstrong's question, and Mr. Post's variant thereof, as follows: *If all men take interest of whom shall they take interest? If all men loan capital to whom shall they loan capital?*

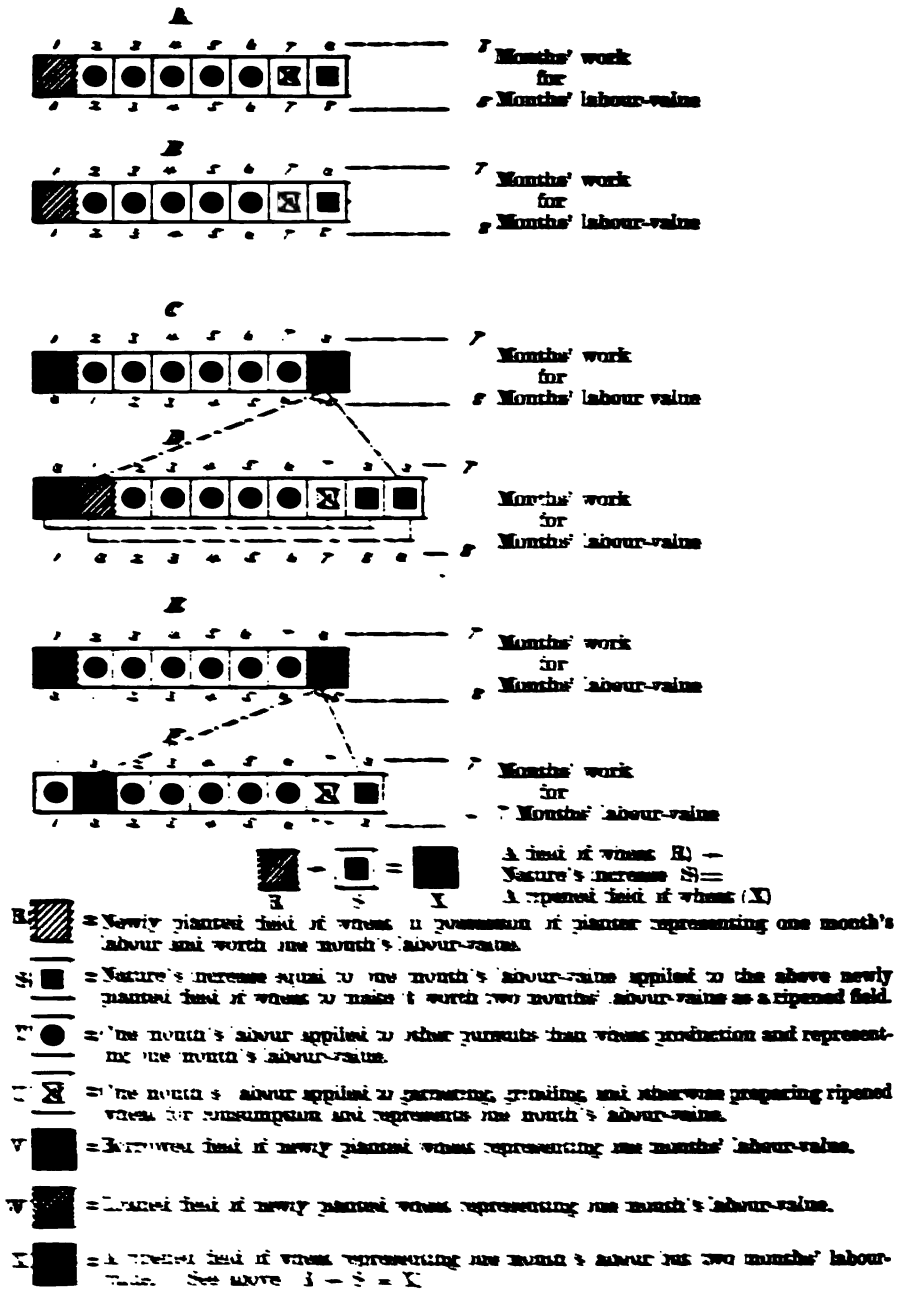
We have already called attention to the extreme subtilty of this question of interest, as well as to the seductiveness of many of the views which have been put forth in its defense. We wish now to make clear a point which is seemingly simple and yet which to our mind is fraught with grave significance, for the reason that its apparent inconsistencies are only reconcilable, so far as we can see, by the acceptance of a fundamental concept of a most radical nature. Let us consider the question in a manner as open as possible, striving to reserve judgment until the whole case has been presented.

Smith and Brown each spend a month planting a field of wheat. Let us say, for convenience, that it takes five months for this field of wheat to mature and that it does so without further labour of any sort; and let us say, further, that by the addition of another month's labour to the ripened wheat it can be garnered, ground, made into bread, and sold for a value equivalent to three months' labour, which is to say, that Nature adds one month of labour-value to the wheat in ripening it.

By reference to the accompanying chart it will be seen that a singly cross-hatched square is used to represent diagrammatically one month's labour in the form of a newly planted field of wheat in the possession of the planter as indicated at R. A square containing a smaller square, as indicated at S, represents Nature's increase, which adds a value in five months equal to one month's labour-value. At T is found a square containing a circle, which indicates one month's labour applied to pursuits other than wheat production, and represents one month's labour-value. U indicates the one month's labour applied to garnering and grinding and otherwise preparing a ripened field of wheat for consumption, and it represents one month's labour-value. The black square shown at V indicates a borrowed field of newly planted wheat representing one month's labour-value. The doubly diagonally hatched square at W indicates a loaned field of newly planted wheat, representing one month's labour and one month's labour-value. At X is shown a square vertically and horizontally shaded, which indicates a ripened field of wheat representing *one* month's labour, but of a value equivalent to *two* months' labour, Nature's bounty standing for the other month's



CHART T



## GILLETTE'S INDUSTRIAL SOLUTION

labour-value. It will be seen at a glance that the square E = the square S = the square X.

In the laterally extended rows of squares to the right of the names Smith and Brown, the figures above the squares indicate the time expended in labour, while the figures below indicate the value, in terms of labour-months, of the squares, it being noted that each figure is a total of the square above or below it added to those to the left of it marked with figures. With this explanation we may proceed with the transactions of Smith and Brown.

Each of these gentlemen, having spent one month planting his field of wheat, works the five months while it is ripening at some other occupation, then garners the wheat, grinds it, makes it into bread and sells it for three months' labour-value. The account of each would then stand as at A and B of the accompanying diagram, from which it will be seen that each has worked seven months and received therefor eight months' labour-value. It will be noted that the square containing the blackened square in each row is marked with a 0 above it and a figure below it. The reason for the 0 is that, since it indicates Nature's bounty, it does not represent any work, and the reason for the figure below it is that it does add one month's labour-value to the column.

Bearing these facts in mind let us slightly vary the condition of affairs. (See C and D of chart). Smith and Brown each plants his wheat as before, spending one month in doing so, when Smith proposes to Brown that Brown shall borrow his field of wheat, paying him at the end of five months, for the use thereof, the equivalent of a ripe field of wheat. Brown consents and each sets to work and labours for five months while the two fields are ripening. These five months' labour appear in each row as the first five squares containing black circles. Brown then puts another month's work upon the wheat borrowed from Smith (as shown at the square marked 7) and receives three months' labour-value therefor, which value appears in the fully blackened square, being the first square of the row, the square already referred to containing a smaller square with a cross, and the square containing the blackened square marked 8 below and 0 above, these three squares being connected by dotted lines to indicate their relation. The other two squares connected by dotted lines below, and being connected again by dotted lines to the last square in the row above, represent Brown's own field of wheat and its natural increase, and they do not figure in Brown's assets, because he pays them to Smith, as shown in the last square in Smith's row marked 0 above and 7 and 8 below, for the reason that it represents no labour on Smith's part, but does stand for two months' labour-value to his credit. Now, as soon as Brown receives his three months' labour-value for the borrowed field of wheat garnered and made into bread, he bethinks him that he owes Smith the equivalent of a ripe field of wheat, and so he turns over to Smith his own field, which in the meantime has become ripe.

While Brown was getting the borrowed field of wheat ready for sale Smith worked a month and produced a month's product, which



## GILLETTE'S INDUSTRIAL SOLUTION

appears at the square marked 7 above. The accounts will then stand as at C and D of the diagram, from which it will be seen that Smith has worked seven months and received eight months' labour-value, while Brown has worked seven months and *retained* eight months' labour-value. Now, if we consider this a moment it will appear that Smith and Brown have thus far received the *same amount* for the *same labour* in each of the two cases. It appears, in this case, as if it made no difference to either party whether the capital be loaned or individually worked. How then? Is interest just? Now right here comes in part of the illusiveness to which we have referred.

While, to the casual observer, these illustrations seem to justify interest, in reality they do nothing of the sort. The fate which would befall Brown as a borrower paying Smith for a *force of Nature*, is nicely masked here, as it is alas! too often in actual business, by the fact that Brown himself is taking to himself the product of an exactly similar and equally valuable natural force. To prove this let us deprive him of the advantage of using this force (see E and F of the chart). Smith works a month planting a field of wheat while Brown works a month, let us say, digging coal. Smith then loans his field of wheat to Brown and each works five months while the wheat is ripening. Brown then works an additional month on the wheat getting it ready and selling it, while Smith works the same month at some other pursuit. Brown gets as before three months' labour-value for the wheat in the form of bread. The accounts then stand as at E and F of the diagram. The doubly cross-hatched square at the beginning of Smith's row represents a month's labour put into a field of wheat. Its value is not credited to his account because it is loaned to Brown, as shown in the second square of Brown's column, coming back to Smith in the form of a ripened field of wheat, shown at the last square of his column. The next to the last square in Smith's column represents the month Smith works at some pursuit other than wheat production while Brown is garnering the borrowed wheat. The dotted lines indicate the source of the last square in Smith's column. The second and last squares of Brown's column do not appear in his total of time expended, because they represent no direct time outlay on his part, and they do not appear in his total of value acquired because he has to hand them back to Smith. These time-and-value-totals are given to the right of the columns of squares.

It will, therefore, be seen that Smith works seven months and gets eight months' product therefor, while Brown works equally hard for a like period of seven months and receives but seven months' labour-value. Those who do not believe in the justice of interest will ask; why should Brown get but seven months' labour-value for a certain amount of work, while Smith gets eight months' labour-value for exactly the same amount of work? The other side will answer that Brown gets seven months' labour-value for seven months' work, and, therefore, that Smith has not wronged him, and that, since he has gotten full equivalent for his labour, he has no reason to complain. This retort is seductively plausible till

## GILLETTE'S INDUSTRIAL SOLUTION

examined, when it is found that there is not a single factor of truth in the reply — but of this later.

The objectors to interest retort that the only difference between the two cases lies in the fact that Smith chose one kind of labour for his first month, while Brown chose another, and that while the social service rendered by these two labourers was, according to the hypothesis, precisely the same,—being estimated upon a basis of labour-equivalents,—there is no reason why Smith should reap an advantage through the action of a force of Nature to which Brown has as good a right as he, and which moreover — *and the point is vital* — does not come into *fruitage* either in an individual or a social sense save through the labour of Brown, *Brown*, bear in mind, not *Smith*.

We need not press these considerations farther home for the reason that there is a more important generalisation to which we would direct attention. Before doing so, however, let us briefly consider the contention of the apologists for interest which we so recently passed over. These apologists state, and the diagram indicates, that Brown gets seven months' labour-value for seven months' work. Is this the fact? So far as the diagram is able to show, such is the case; but when we take into account a consideration which the apologists of interest are extraordinarily apt to ignore, we find that this is not exactly the case. We refer to the question of exchange values. According to the present interest-taking régime the unearned increment which comes to Smith, as shown in the diagram, inevitably will, in the complex process of exchange, be offered in one form or another to Brown for the products of his labour, so that we have to consider the moment when this unearned increment possessed by Smith will exchange for a month of Brown's labour, at which point we shall find Smith selling to Brown something to which he, Smith, has *no divided title* and something in which Brown has already an *undivided right*. This condition of affairs suggests to us the following lines from Charlotte Perkins Gilman's poem — "Charity," with the important difference that Smith is the big boy who *sells* instead of *gives*.

"He gave with pride, in manner calm and bland  
Finding the other's hunger a delight;  
He gave with piety — his full left hand  
Hid from his right.  
He gave and gave; Oh, blessed Charity,  
How sweet and beautiful a thing it is!  
How fine to see that big boy giving free  
What is not his!"

It will be seen, therefore, that Brown is exchanging something which he owns for something of an exactly equal desirability, let us say, to which he already has as great a right as Smith, and in which this right of Smith is exceedingly small and wholly undivided and, therefore, *not a proper subject of exchange*. If, now, Smith had worked seven months and produced seven months' labour-prod-



## GILLETTE'S INDUSTRIAL SOLUTION

uct, just as we have seen Brown do, then when Smith and Brown exchanged, Brown would be buying with his labour an equal value to which Smith had a good title, and in which, according to our hypothesis, he, himself, had no previous rights whatsoever.

From all of this it will be seen that, plausible as was the contention of the apologists for interest, there was no truth whatsoever in it, since the real value which *Brown* can secure for a day's labour *shrinks as Smith is able to get value without labour*. There is at any moment in the world,—if we imagine ourselves as cutting down through events and making an instantaneous cross-section of affairs,—only a given amount of product, which has resulted from a given amount of labour. Now, if this product be distributed upon any other basis than in exact proportion to the labour which called it forth, that labour is robbed, and no amount of sophistry, or clever roundaboutness, can conceal this patent fact.

We have seen by E and F of the diagram that when Brown borrows Smith's field of wheat and returns him the equivalent of a ripe field as principal and interest of the loan, Smith gets eight months' labour-value for seven months' work, while Brown gets seven months' labour-value for seven months' work, and we have contended here that Brown has been injured. Let us see now what will happen if Brown returns only the principal borrowed, retaining the unearned increment for himself. In this case Brown would work a month digging coal and Smith a month planting a field of wheat; then each would work five months while the wheat Brown borrowed of Smith was ripening; then Brown would work a month preparing and selling the wheat for three months' labour-value; and Smith would work the same month at some other pursuit. Brown would then return Smith the equivalent of a field of newly planted wheat, which is to say one month's labour-value, or perhaps he would return the field of wheat itself; it would all come to the same thing. By mentally making the slight changes here indicated in the rows E and F of the diagram, the reader will see that in this case Smith would work seven months and receive seven months' labour-value while Brown would work seven months and receive eight months' labour-value. Here we see that this unearned increment of one month instead of going to Smith as at E and F of the diagram, goes to Brown. There may be some difference of opinion as to just what Brown really borrows, whether it be field of newly planted wheat or a field of ripe wheat. We have not thought it necessary to divert the attention to this discussion, because we have given instances where Brown makes return to Smith of both these amounts, and further because we have a more fundamental consideration in view.

In reflecting upon the just-mentioned alteration of E and F of the diagram the reader will at once ask if Smith is not robbed in *this* case, while Brown was in the preceding. So far as we are able to discern this question is pertinent, since Brown and Smith have merely changed places; for, where Smith formerly was "getting something for nothing," Brown is now doing the same thing. How then? At E and F Smith was taking interest and injustice re-

## GILLETTE'S INDUSTRIAL SOLUTION

sulted. In the case of our mental alteration of E and F, Smith is *not* taking interest and still injustice results. Surely, says the reader, interest must either be just or unjust, and if just, justice would follow its taking; if unjust, justice would follow its eradication.

These statements sound exceedingly plausible and convincing, but they are sophistical, since they assume that the whole question of justice is to be decided by deciding *whether a capitalist or a labourer shall take to himself an unearned increment to which neither has a valid title*. The fallacy lies in the assumption that the commercial relations sustained in the borrowing and loaning of capital are relations *subsisting solely between the borrower and the lender*, whereas, in fact, they are relations subsisting between the borrower, the lender *and society*. This is the consideration to which we referred—a *consideration of the utmost importance*, and yet one usually omitted entirely, or slurred over so as to conceal its immense significance. Let us illustrate what we mean. Smith and Brown while walking together find a gold watch with a short bit of chain dangling from it. Each claims that he saw it first. Smith gets possession of it. It is an *unearned increment*. A controversy arises between Smith and Brown as to which one should have it. Brown asserts that if Smith has it he is wronged. Smith contends that if Brown has it he, himself, will be wronged. A crowd gathers about the contestants and they take various sides according to individual differences, just as men now take sides upon the question of the proper ownership of the unearned increments of Nature. This gold watch, dropped by some unknown passer-by, Smith did not have to work for. It is an *unearned increment* to him, so far as his labour goes. Now, while Smith and Brown, in common with their various sympathisers, are wrangling over the ownership of the watch, a Mr. Jones elbows his way through the crowd saying: "Gentlemen, permit me to arbitrate. I can decide the matter in a moment. The watch is *mine*. It broke from this chain here, which you see exactly matches the small piece of chain fastened to the watch." Thus the dispute is ended. Now this Mr. Jones is the embodiment of society, so that in the original case, while Smith and Brown each were contending that the unearned increment belonged to him, society would step up and say as before: "Gentlemen, permit me to arbitrate. I can settle this matter in a moment. The difference in value between the newly planted field of wheat and the ripe field belongs to me. You only own such share in it as you respectively own in *me*. Indeed, if you do not take my ruling kindly, I may have to remind you that I could make a very excellent claim to by far the greater part of the value of the *newly planted* field. I prefer, however, to waive this for the present because you gentlemen are not sufficiently advanced in reasoning processes to understand how good would be my contention in this matter. Since the *real* owner may take his property wherever he finds it, though it has passed through a thousand hands since he was deprived of it, I will relieve you of this bone of contention, and wish you a very good day."



## GILLETTE'S INDUSTRIAL SOLUTION

The point we make is that the mind, if logical, is *literally coerced* into this view of the matter. Note these considerations. Smith, by using his field of wheat himself, and Brown, by using his field of wheat himself, can each get eight months' product for seven months' labour. If Smith loans Brown his field of wheat as at C and D in the diagram, he, Smith, gets eight months' labour-value for seven months' labour, provided Brown pays him a ripe field of wheat, or equivalent, as principal and interest; but in this case Brown suffers injustice, as we have shown. If, now, Brown uses Smith's wheat and returns him only a newly planted field of wheat, Brown receives an unearned increment of one month's labour-value, and Smith is robbed as we have seen. Certainly, if Smith can justly and properly secure eight months' labour-value for seven months' labour, he cannot be expected, in justice to himself, to give this advantage to Brown without an equivalent so-called. If he *exact* this equivalent, on the other hand, he bestows no advantage whatsoever, and Brown is wronged. If, on the contrary, Brown secures the advantage from Smith without having to pay for it, Smith is wronged. The only thing in the proposition which remains as a *constant* is that *society will be wronged whichever one secures the advantage*, and is, therefore, so far as the immediate factors of the contention are concerned, supremely indifferent *which thief* appropriates her property, provided she has got to be victimised by one or the other of them. More than this; the wrong which Smith sustains in the one case, and Brown in the other is, as will be seen, vanishingly small compared with that sustained by society, since Smith and Brown can justly claim only *such* part of the unearned increment as they can claim of *society*. The only solution of the difficulty lies in recognising that when either Smith or Brown gets eight months' return for seven months' labour, as at A and B of the diagram, the extra month constituting the unearned increment is a communal possession *belonging to society as a whole*. Any interest, therefore, which may be alleged to inhere in, or arise out of, any natural productive force *whatever* is entirely indefensible, being an attempt, on the part of the lender, to arrogate a divided right which does not inhere in him, and to sell it to another who has just as good an undivided right to it as he, himself, can possibly have. The plain fact of the matter is that, in generalising the right to the use of the earth, we, at the same instant, generalise the right to all unearned increments resulting from the action of any natural forces.

The measure of value is a labour-measure and all claims for value must be labour-claims. Land is a communal tool of production. Capital, apart from the *labour* of it, is also a communal possession, wherefore it follows that if *anything is capable of carrying with it a just right to individual possession, that thing must be labour*, and cannot, by any possibility, be *anything else*. Not only is labour a *sine qua non* in the *production* of capital, being the only active factor, but it is also a *sine qua non* in the *use* of capital after it is produced, being hereto the initiatory and active factor. It is the neglect of the foregoing considerations which, in our opinion, have



## GILLETTE'S INDUSTRIAL SOLUTION

largely been instrumental in making such a hopeless muddle of current economics.

We believe what has gone before has been sufficient to show the untenableness of the positions of the apologists for interest. Those set forth by Prof. Böhm-Bawerk and Mr. Hoag are as thoroughly answered as the rest, but, since these two theories are less well-known, on the one hand, and harder to hold in the mind, on the other, we trust the reader will pardon a brief specific reference to them. The contention that present goods are worth more than future goods because, first, of "differences in want and provision for want," and second, because men civilised as well as savage, tend to form "an underestimate of the future" does not, so far as we can see, in the least justify the taking of interest. If, referring again to "The Position of William," we assume that he borrows the plane of James because his present need looms large, and, as is the case with savages and children, obscures his future need; or if we assume that he borrows it because he entirely underestimates the future, is the fact that he is *robbed* in the least altered? Turn to any of the preceding diagrams, and it will be seen that the conditions which result, result because of things *actually done* and not because of any particular *reasons* which might be alleged *for* their doing. If James robs William when he loans him the plane and takes interest therefor, that fact is *not in the least altered* by William's belief that his soul's salvation rests upon just such a transaction, nor is it in the slightest degree affected by the fact that William embraces the offered opportunity to borrow *with an avidity which is pathetic*. These are *psychological* considerations, and they no more affect the question of *justice*, than our opinion of the moon alters the condition of that orb.

With regard to the other reason which Prof. Böhm-Bawerk alleges—"the technical superiority of present goods" because they make possible longer processes of production, which he says are more profitable, labour for labour, than shorter ones, it is to be noted, as has already been stated, that *this is not the case*. It does *not* make possible longer processes *unless eternity have an end*; or rather, let us say, present processes can never be *proved* to be longer, unless time have an end, and they be respectively carried on to that end. All that can be claimed then for present goods is that they make possible the longest possible process which can be availed of and completed *at a given date*. This is only saying that, in the case of a process of any definite given length, present goods enable that process to be started at the *earliest moment*. Here again we refer to "The Position of William." By borrowing James's plane *at once*, he is enabled to start the longest conceivable plank-making process which can be completed during that year. There is nothing whatever that we can find in Prof. Böhm-Bawerk's theory which would in the least alter the fact that William is a fool to borrow James's plane and pay him interest for it, when he could, at the start, work the time necessary to make it himself, save the interest entire, and indulge in an equally long process of plank-making *terminating ten days later* than the borrowing process. More than



## GILLETTE'S INDUSTRIAL SOLUTION

this; if William netted a *gain*, instead of a *loss*, it would not by any means prove the *justice of interest*. We cannot insist too strongly upon the fact that it is not enough, in order to prove a transaction just, to prove that A gets from B, for a consideration, something which he values more than the consideration. It must *also* be shown that B does *not* get from A more than *he* is entitled to. Because Brown, who is drowning, so values present goods over future goods that he will give to-morrow *two boats*, which he has in his boat house, for ten minutes' use of the one to which he is desperately clinging, does not in the least prove that such a bargain would be *just*. We must show, to prove a just bargain, that the owner of the rescuing boat gets *no more than a just return for the service rendered*. And, in this case of interest, we must be more than ordinarily careful that the thing for which the payment is made is *really his* and is not, as has been shown, something which he is *filching from society as a whole*, and then loaning back to a part of society for a consideration called *interest*. We submit, therefore, that Prof. Böhm-Bawerk's contentions do not in the slightest degree *justify* interest, whatever they may, or may not do in the way of throwing light upon the *reasons* which actuate men in permitting themselves thus to be robbed.

Coming now to Mr. Hoag's variant of the Böhm-Bawerk theory, little need be said in addition to what has gone before. This theory, like the other, does not in the least *justify* interest. Not only does it, for the most part, leave *society* out of the question, but it actually omits, like most theories seeking to defend interest, one whole side of the *individual* transaction—or at least the *crucial consideration* pertaining to one side of the transaction. After strenuously labouring to show that the borrower gets more than he pays for, it apparently is not thought in the least necessary to prove that the lender gets *no more* than he earns,—in other words, his just title to what he loans is not in the least proved.

It will be remembered that the cardinal concept in Mr. Hoag's theory is what he terms "*soonness*"—soonness in taking further advantage of the forces of Nature. Now let us consider this question for a moment. Why should a man be forever advantaged because he did something a few days before his brother? Wherein is his just claim to reward? Let us permit Mr. Hoag to give his view of the matter. He says; "*interest is a sort of wages for soonness in improving methods of production*," and he says later; "Those to whom it is due that sheer labour is applied effectively, that is, those who supply intelligence for the application of labour, should receive that share of the product that is due to what they supply; and all of economic interest is due to what they supply." It will be noted here that Mr. Hoag speaks of *intelligent direction* and *sheer labour* as if the two activities belonged to two classes fundamentally different in kind, but we will pass that. From what has gone before we believe that the reader will see that the actual process of taking interest is a process which results in gross injustice and would so result *in fact*, whether or not Mr. Hoag's explanations of the conditions which generate interest were, or were not, correct.

## GILLETTE'S INDUSTRIAL SOLUTION

They might show us how the wolf got here without in the least preventing him from devouring us now that he is here.

Let us now consider his theory with regard to the question of justice. The reward called interest belongs, according to this theory, to him who first performs a certain kind of act. If this be just all men must have an *equal opportunity* to perform that act. Nothing can be just which bars out any individual through no fault, deficiency, or shortcoming due to himself. The reward called interest, if a reward, must be a reward *for* something. Let us, for the moment, say with Mr. Hoag that it is a reward for *intelligent direction*. Now he has pointed out in his theory that if A and B are both carrying water from a spring and A lays a pipe and thus rids himself of such labour a month sooner than B, he will always tend to be richer than B by just the saving thus effected. Other things equal, B can never catch up to him in wealth. Now for a hypothetical case to test the justice of this régime. Let us assume that a given improvement to take further advantage of natural forces, requires an amount of intelligence which James will attain with his twenty-first year. His brother, William, is one year younger, and of precisely the same moral, mental and physical fibre. He will reach the same grade of intelligence at the same age, namely, twenty-one, just one year after James has reaped the reward, and so William, through no fault of his, must, other things equal, remain ever poorer than James. *Can anything whatever be said for the justice of such a régime?* It has not even the saving grace of showing an *evolutionary advantage*, for it does not offer *survival to the fittest*. It is a sort of commercial harking back to the *aristocracy of the first born*. Under such a régime the robbery we have shown as essential to other systems would take place just as at present, only another reason for it would be given. It is *facts* that we have to consider. If a man's pocket be picked while a thief *hypnotises* him into the belief that he is being *enriched*, is he *robbed* any the less? Facts are stubborn things, and the fact remains that millions of dollars are paid yearly as interest. These dollars of value were either created wholly by labour or by labour *plus* something else; certain it is that labour created a part of the amount. The value which labour created belongs to labour. If there be any part that labour does *not* create, *that came without the intervention of personality*,—that part was created by *Nature* and belongs to them to whom *Nature* belongs.

The plain fact of the matter is that there is *absolutely nothing in the economic world but the earth and personality. To personality belongs all that personality produces.* That which the earth produces belongs to those who own the earth, which is to say, *to all the children of men as an inalienable undivided right.* The apologists for interest and the college economists in general, may hedge their subjects round with walls of words as high as heaven, and as ever varying in meaning and intricate in application as an arabesque, but they cannot justify that *economic perpetual-motion machine* known as *interest*.

Society, if it is anything, is anti-individualistic in just so far as



## GILLETTE'S INDUSTRIAL SOLUTION

it is social. Or, let us put it this way. *The sum of individualistic tendencies and of social tendencies in a given community should constitute a constant*; for the individualistic tendencies will wane as the social tendencies develop and *vice versa*. We might fitly call individualism the *science of selfdom* and socialism the *science of otherdom*, for, in an individualistic state, the aggregate which dominates and determines action is a petty aggregate known as *self*, while in a developed society the dominating and determining aggregate will be larger and lifted on to a higher plane, being, in short, *society itself*. Never let the fact be lost sight of that all considerations of right and wrong, are, in their last analysis, referable to *some sort of society*. We have already clearly shown, in an earlier chapter, that if there were but one being in the universe there could be no such thing as right and wrong. These terms postulate a *relation*, and that relation is a relation *between individuals*, and when individuals become *related* they become *to that extent socialised*; that is to say, they in some measure act and react upon each other, as men do in a social mass. This social relation may be primitive and turbulent, occasionally resulting in quarrels as well as in coöperation, but even latter-day society is by no means free from the same defects.

Let us ever bear in mind, therefore, that all moral distinctions are, to this extent, social distinctions. The attempt to *individualise* rights, without first *socialising* them, is like an attempt to account for the gravitation of a planet *considered as an individual*, without taking into account *other planets*. Every speck of star-dust scattered throughout space has its gravitational influence upon every other speck. The child who kicks up a spoonful of sand on the beach changes, in so doing, the position of the Sun and the orbit of Arcturus. What folly it would be for each grain of sand to attempt to keep its little *individual account* of gravitational *debts and credits*, yet this is precisely what our non-socialised communities, *striving to prevent the individual from overflowing into the communal sea*, are seeking to attain. *The social resultant would be as complete a solution of the difficulties of economics as is the gravitational resultant of the problems of astronomy.*

## CHAPTER XXXII



A good many families enjoy a realising sense of their respectability because they think their income is derived from profits instead of wages. The butcher, for instance, says he is in business for profit. But the people are only paying him wages for a service rendered. Men get wages for work; the less the work, or service in proportion to the pay, the more respectable the calling. The most respectable people are those who manage to live in ease and plenty without rendering any service for what they use and consume. The greater the amount of service, especially if essentially necessary work in proportion to the pay, or wage received, the less the respectability of the one rendering the service. As wages shade off towards profits the receiver rises in the scale of respectability; and when he is able to command service without having to give any in exchange, he becomes an honorable and influential citizen. It is the way of the world.

*The We're Here Magazine.*

Go into any community and find the newspaper that is known to be in close affiliation with the corporations and with grafters in office and that fights the efforts of good citizens for better government, and you will find a newspaper that does not approve of the initiative and referendum and recall.

*(Los Angeles) Municipal Affairs.*

Argument by cannon, with death as referee.

Patriotism desecrated, not consecrated.

Living chess, played between nations, where all the pieces may be sacrificed to save the king.

Assassination in uniform.

Administering capital punishment to our enemies to convince them we are right.

The great red stain on civilisation.

The nation granting free trade in all crimes for the protection of its honor.

The blood sacrifice of a people on the altar of statesmanship.

Murder trust run by two nations, without fear of injunction.

*William George Jordan — Christian Science Sentinel.*

The task of supplying the world with coal, gas, oil or transportation facilities is a grand work, but it becomes infamous when it is made the pretext of exacting tribute, and of reaping where others have sown.

*Ernest Crosby.*

## CHAPTER XXXII



THE prime factors of political economy being land, labour and capital, the returns which come from these, namely, rent, wages and interest, respectively constitute the secondary factors. So far as we are able to observe there is no room left for that alleged economic factor which is so frequently met with in most treatises on political economy. We refer to "*profits*." According to our view of the matter *profits* are merely wages, rent or interest, or, perhaps, two or all of them, in disguise. Notwithstanding our own thought in the matter, however, so prevalent is this idea that profit is something generically different from rent, interest or wages, that we think it best to consider this view to an extent sufficient to crystallise our thought in the mind of the reader. Before dealing with profit *per se*, however, it seems necessary to deal somewhat with the question of *value*. So much has been written in regard to just what factors determine the value of an article, and so much divergence is found in the positions taken, that we feel warranted in considering the subject somewhat attentively.

We have said repeatedly that all value in its last analysis is a labour-value. We must ask the reader to bear in mind, here, as when considering interest, that we are seeking to ascertain what conditions would obtain in an *ideal* social community, rather than what actually *do* obtain at the present time. It need hardly be said that, if a man possesses an article with which he does not intend to part, or which he intends to give away, its value has no commercial significance which concerns us. From the standpoint of political economy the value of an article becomes of significance only when its possessor intends to exchange it for another commodity and desires that other commodity to be, at least, as valuable as the thing with which he parts. Under these conditions what would constitute the value of an article in an ideal social community?

The value of a thing to be exchanged may be looked at from two points of view, to wit; that of the man who possesses the article and that of the man who proposes to purchase it. As a purchase, in its last analysis, is nothing but an *exchange of commodities*, it follows that each side of the transaction occupies *both* of the above positions; the one position with regard to its own commodity, and the other with regard to the commodity to be exchanged therefor.

The object of life being the attainment of happiness, it follows that the value of all things in the universe is referable to this object. A thing is worth to a man just what it will yield him in units of happiness, and he justly cannot be expected to part with it for



## GILLETTE'S INDUSTRIAL SOLUTION

anything which will not yield him as *much* satisfaction as he had to expend, or forego, in its production. It is to be observed that we do not say that a man justly cannot be expected to part with a thing in his possession for a consideration which will yield him fewer units of happiness than are *contained in the thing with which he parts*, for the reason that, in innumerable cases, he would not have a just title to the whole happiness-yield of the objects which he possessed; whereas, if he were of average efficiency in the department represented by the commodity he has made, he *would* be entitled to a full return for the labour he himself expended in its production. It is manifest that, if the producer of an object sacrifice ten units of happiness in its production, he cannot afford to exchange it for anything which will not repay these ten units, since, if he did so, his production would be a losing game unable to sustain itself. To give out more than one takes in is soon to become empty. If, now, this is true of one side of the transaction, it is, of course, equally true of the other.

In dealing, as we have stated, with a hypothetical social régime, we must assume that those who create wealth for exchange are rendering not an *individual*, but rather a *social* service, and that this service is worth to society just what it represents in its ability to create happiness. It is worse than futile to consider an exchange of commodities from an individual standpoint, because of the fact that practically all commodities are the result, in some degree, either of the *natural productive* or *natural destructive* forces of Nature—forces which, being part of the earth are, like it, a communal possession to be distributed among all the sons of men. He, the greater part of whose task Nature performs while he sleeps or rests, must in justice share his unearned increment with all his fellows, while he, who, to make the social service complete, accepts pursuits which yield only the pittance which a grudging Nature cannot withhold, may likewise distribute among his fellows the excess of his burden.

What, then, shall society pay the producer? Clearly an individual's record for efficiency should not suffer by comparing it with the records of a baker's dozen of other individuals who may happen to have an abnormal aptitude for his particular vocation, neither should he be made a one-eyed king among the blind by being compared with those naturally incapacitated for his chosen calling. His status must be measured by an *average efficiency* found by adding together all capabilities and dividing the sum by the number of individuals possessing them. Thus we see that society cannot pay the individual any larger return than what it would cost it to produce the same result under average conditions, save as mentioned in what immediately follows. Should it do so, the proposition would be a losing one from its own standpoint. It cannot, on the other hand, justly pay to the average individual producer a value which does not contain a somewhat larger number of units of happiness than he himself put into the commodity from his own store when he produced it. A "somewhat larger number" we have said, the reason for this surplusage being that he is entitled,

## GILLETTE'S INDUSTRIAL SOLUTION

in common with all of his fellows, to his *proportionate share* in the *unearned increment* of natural forces. Should society pay the individual anything *less* than what he has put into his commodity from his own store, it will be seen that production could not support itself. Should society pay the producer only just the exact amount which he has put into his commodity, it would deprive the producer of his share in the unearned increment of natural forces, or, to be more exact, it would deprive him of his share in the unearned increment resulting from the difference between the constructive and destructive forces of Nature.

This at once brings us face to face with an important consideration, namely, what is to be done in the case of the inefficient producer who puts into his product more than can be gotten out of it, or, who—somewhat more efficient than that—yet consumes more labour in the making of his product than would be consumed by a man of average efficiency. The reply is that society can consider only the service rendered. It cannot afford to act upon a basis of *motives* or of *good intentions*, but must confine itself to a consideration of *services rendered*. Were motives or intentions to be taken as criteria the ultimate result, as pointed out elsewhere, would be social inefficiency, since such a régime would give well-intentioned inefficiency as good a chance in the life-race as the highest efficiency. But what shall we say of the producer whose efficiency is so low that his product will not repay the pleasure units expended in its creation,—in short, whose production will not even support itself? We can only say that he is expending his efforts along lines for which he is unfitted, that he is out of place in the social order, and that society's failure to pay him for his product more than it pays those of average efficiency for the same product,—in short, more than that for which it could produce it itself, albeit less than will replace his outgo,—is the kindest and most philosophical means at its disposal for advising him to change his calling.

In considering this matter of value we may look upon each article of wealth as a sort of electrical accumulator or charged storage battery, if you please, containing a certain number of stored units of pleasure of a given intensity and capable, when released, of flowing for a given length of time. In the electric battery we have an *intensity* which we call *voltage* and a *quantity* which we call *amperage* and the product of one of these multiplied into the other is called the *wattage*, or the amount of electrical energy which the battery can exert without recharging. In like manner each article of wealth has a happiness potential, and a happiness duration, and if one of these be multiplied into the other the product will be, if you please, the happiness *wattage*, or the value of the article from the standpoint of its ability to gratify human desires—the *only standpoint from which any article properly can be said to have any value whatsoever*.

We have said that the producer cannot afford to accept for his product any commodity which will not yield him, at least, the happiness units which he consumed in producing it, since, if he did so, he could not sustain his production, for he would be parting with a



## GILLETTE'S INDUSTRIAL SOLUTION

greater amount of that which alone makes life desirable—or for that matter even possible—than he would be receiving; and now comes a consideration not to be overlooked. As things are constituted in this world, a given number of happiness units expended upon a natural object in the process of making it into wealth, will usually result in a product capable of yielding a far greater number of said units to the consumer. Or, put it this way. A beneficent Nature, in many instances to say the least, conspires to assist man in creating articles of happiness. Some she practically creates for him, so that he has but the labour of gathering them. The happiness-cost of producing a bushel of wheat is far more than repaid by the pleasure units released when it is consumed, or, to put it another way, we may say, that a bushel of wheat will yield a far greater human energy than is required for its production. In order to be sure that this condition obtains *upon the average* we have only to think for a moment what would happen if it did not. Suppose, for an instant, that man had to put out two units of energy upon the average in order to get one unit back. How long, think you, would the race exist under such conditions? The coefficient of productive efficiency, taken as a whole, must be in man's favour in order for the race to persist. It is by reason of this fact that it is possible, under our present apology for a social system, for labour to be robbed of the greater part of its product and still be able to maintain itself upon the small residuum. The fact of the matter is that a man can produce a vast deal more than enough to supply his own needs. What, then, is to be said of this surplus product? If to man, as an individual producer, belongs in exchange for any given commodity just the number of pleasure units which a man of average efficiency would consume in its production, to whom belongs the surplusage? Certainly not to the other side of the exchange equation, for in an ideal community, *where all were engaged in production*, the other side would be a producer seeking to exchange *his* product, so that the position of each party to the exchange would be exactly identical. We could not, therefore, admit that the surplusage belonged individually to the one side of the transaction without, by a parity of reasoning, we said precisely the same of the other side, and this would plunge us into the added inconsistency of individually bartering away a value which came not from an individual effort, but rather from that bounty of Nature to which all, irrespective of all moral, physical, or mental considerations, have an equal, inalienable, communal right.

Let us not miss the point here that even a *drone* has this inalienable right to his share of the *unearned increment* of Nature. Add to this that Nature's beneficence is not equally in evidence in all pursuits, and we shall see that the transaction cannot, by any possibility, in justice be confined to the two individual sides of the exchange transaction. From all this it will appear that the estimation of value, in an ideal social community, will be a process quite different from that used under present individualistic régimes. In a properly constituted society we should, so far as individual exchange is concerned, consider merely efficient social service in terms of po-

## GILLETTE'S INDUSTRIAL SOLUTION

tential happiness, on the one side, while on the other, we should have to deal with the happiness-cost of producing an article which efficiently supplied a social need.

As we have already stated we, ourselves, regard what is commonly called *profit* as one or more of the three secondary factors of production in *disguise*. By the three secondary factors we refer to *rent*, *wages* and *interest*. Of one thing, however, we may be assured, and upon this assurance we proceed. Either *profit* is one or more of these factors in disguise, or it is *not*. If it is, that part of it, if any, which is really *rent* is unjustifiable because *rent* is unjustifiable, while that part of it, if any, which is *interest* we hold to be unjustifiable for precisely the reason that we hold *interest-taking* to be unjustifiable. That part of it, if any, which is wages should not be called *profit* since, all values being labour-values, the labour necessary to the production of any article makes itself fully felt in the just exchange value of that article; so that *profit*, which, by common definition, is something beyond this value, cannot properly, in our opinion, be said to apply to *wages*. This leaves us to consider only the theory that *profit* is an economic factor by itself, and not merely an alternative name for another factor or other factors. To this view we now address ourselves.

Profit has been defined as "Value acquired over and above the value parted with in the course of acquirement; excess of receipts and returns over expenditure and outlay." This is a general definition showing the colloquial acceptance of the term. With specific reference to political economy the "Standard Dictionary" defines *profit* as: "The return from the employment of capital after deducting the amount paid for raw material and for wages, real or estimated rent, interest, insurance, etc."

In his "An Introduction to Political Economy," Prof. Richard T. Ely, says of profits: "It may be said that whatever is left after paying interest, rent, and wages is profits."

If the reader will consult the various political economies in vogue he will find in the overwhelming majority of them the same hopeless muddle and mass of contradictions in their treatment of this pseudo-economic factor of *profits* that he will find in their treatment of *actual* economic factors. One will refer profits to wages, and another will say it has nothing whatever to do with wages. One will lump it with interest and another will carefully differentiate it from interest. Others will discuss it for page on page and not define it at all, while he who has done more to simplify economics than any man since Adam Smith, denies that such a thing has any economic existence whatever. Not a few economists agree with each other to the extent of asserting that profit is that which induces men to engage in business enterprises. They would have us believe that were it not for this element business would cease. The fact that men have desires which they must gratify, and the further fact that, in order to gratify them efficiently, they must exchange those things of which they have a surplus for those things of which they have a deficit, is so *self-evident a proposition* that these gentlemen, educated in the sublime intricacies of college economics, pass it by



## GILLETTE'S INDUSTRIAL SOLUTION

unheeded. It is too trite to be significant to them. *They prefer to invent an artificial reason why men do a thing which they could not fail to do unless they were out-and-out idiots!* Indeed, even *idiots* would do it, if, as is usually the case, they ever had a semi-lucid moment. Since, however, we are considering the theory that profit is something beyond the sum of rent, interest and wages, we may address ourselves first to the moral aspect of the question. Assuming such profit to *exist*, can it be *justified*?

We have to remember that justice, as we have already seen, predicates equality of opportunity, and that no régime can be just which cannot be *generalised*. Unless *all* men can have an opportunity to make a profit, profit cannot be logically defended. The correlative of profit is *loss*. Wherever a profit is made a loss is sustained. He who gets for a commodity, in exchanging it, more than the labour-equivalent of that commodity, gets it from the person with whom he exchanges, and by just so much as the value of what he *gets* exceeds the value of what he *gives*, does the value of what the other gives exceeds what *he gets*, so that the profit, in the one case, is neatly balanced by the loss in the other. A highwayman might elect to call the result of his thieving "profit" without any more surely suggesting the correlative loss on the part of the robbed, than does the ordinary commercial term suggest it. He might also euphemiously refer to his "profits" as that which induced him to engage in his enterprises, and it would doubtless be true, in his case, without in the least altering the fact that it would be robbery none the less.

We have endeavoured to make it perfectly clear that commodities have an *actual value* which invariably is, so far as the individualistic part of it is concerned, a labour-value, and which, so far as the other side of it is concerned, invariably is a communal value. When, now, anything more than the actual value of an article is gotten for it in exchange, somebody is robbed, and it does not make one whit of difference whether this robbery is called by the bald epithet "robbery," whether it is softened for polite ears into "rent," "interest" or "profits," whether it is called "fee-fo-fum," or whether the robber refuse to name it at all, the result is the same, and this result invariably is that *he who earns, gets not all he earns*, while he who *gets*, earns not *all he gets*.

One of the most significant things in connection with profit taking is a point which is generally slurred over. Just as we have seen that interest, when compounded, amounts to interest upon interest which eats into labour with a ravening tooth, so in this question of profits, we find the injustice reaching its acme in what may fitly be called *profits upon profits*. We believe that the following diagrams will make our meaning entirely clear. We wish to suggest that, in the perusal of these, the reader keep ever in mind the fact that *names* are not *things*, and that, therefore, an unjust abstraction from labour of a part of its earnings is wrong, *whatever may be the name used to designate the injustice*. It is for this reason that we do not find it necessary to consider the question of profits to any such extent as we considered interest. In treating interest we al-

## GILLETTE'S INDUSTRIAL SOLUTION

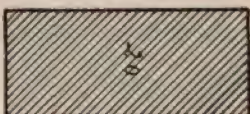
ready have said much of what is to be said in regard to profits. There is, from the standpoint of labour, *no difference whatsoever* between an *unearned increment* called *interest*, and the *same increment* denominated *profits*. Call it what we will, it can only mean to labour that he who produced has not gotten all he produced, with the inevitable correlative that some one else has gotten more than he produced.

In order to see the effect of profits in a community we must imagine a community small enough and with functions simple enough to enable us to carry its operations in our minds. This community, must, of course, be a closed community, if we are to reason to any purpose. Let us start then with an isolated community composed of ten men. Five of these are makers of food, and the other five are makers of shelter in the way of clothing, housing, etc. By referring to the diagram it will be seen that the cross-hatched areas represent the makers of food, and the figure 20 in each area indicates that each maker of food produces 20 food units in one unit of time; the five producing 100 food units in one unit of time. The open areas in the diagram refer, in like manner to the five makers of shelter; the figure 20 indicating that each makes 20 units of shelter in one unit of time; the five producing 100 units of shelter and clothing in a single unit of time. This being a properly conducted community all values of commodities are labour-values. Production and consumption just balance and fully satisfy the demands of the community. Each man, therefore, consumes 10 labor units of food and 10 labour units of shelter and clothing per unit of time. This means that each maker of food exchanges half of his product for an equal value and equal amount of that of a maker of shelter and clothing, and *vice versa*. This is as it should be and, during each unit of time, the five makers of food produce 100 units of food, consume 50 of them themselves, and exchange the other 50 for 50 labour-units of clothing and shelter. Note, now, that this régime is just and equal to all, and that without inequality and injustice it is capable of being *generalised* to include all of the members of *any size of community producing any number of commodities*. The principle will always be the same. We hardly need state that, in referring to this illustrative community as a properly conducted society, we mean to be understood that it is rent free, and that it has its capital either equally divided or held in common. This we hold would be the case in any ideal community and, whether this be so or not, it is necessary to assume it here, in order that we may treat one thing at a time, and not plunge the reader into hopeless confusion by a needless complication of factors. Now, bearing in mind the diagram, let us suppose that this ideal community suddenly undergoes such a change as to permit "profits," so-called, to become a part of its exchange system. If the climate be supposed to be moderately warm the makers of food will have in hand a product more immediately essential than that of the makers of shelter and clothing. A very cold climate would, of course, reverse the proposition. Suppose, now, that each maker of food, in this temperate climate, gets the modern idea that he must have a "profit,"

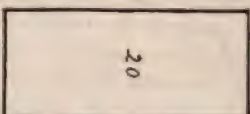


CHART XX

Makers of Food	20	20	20	20	20
Makers of Shelter and Clothing	20	20	20	20	20



= 1 Man  
who makes 20 Units  
of Food per Unit of  
time.



= 1 Man who  
makes 20 Units of  
Shelter and Clothing  
per Unit of time.

## GILLETTE'S INDUSTRIAL SOLUTION

so-called, and that for each ten units of food he offers for exchange, he must have fifteen units of shelter and clothing; ten for his just due, and five for what he is pleased to call his "profits." When this demand is made the makers of shelter and clothing have several courses open to them.

- (1) They may accept the price and exchange, paying the "profit."
- (2) They may refuse to trade at all, and so starve.
- (3) They may appeal to force.
- (4) If the society were complex enough they might inaugurate a counter system of "profits" and thus shift at least a part of the injustice on to their own patrons.

In the society in question, however, their patrons are the very ones who are exacting "profit" of them, so that, if they were able to exact a counter-"profit" of the same amount, the net result would be as if neither side had asked a "profit," so that,—just as we have seen in the case of competition where justice can only result when that competition is balanced and mutually annihilatory,—we now see that "profit" reaches equity only by suiciding. In a system, however, where the flow of commodities and information, as well as the level of prices, was not obstructed, such a both-way "profit" could not obtain. It would be impossible, for example, in the little community we are considering, for corn to have a "profit" in terms of potatoes, at the same time that potatoes enjoyed a "profit" in terms of corn. If a day's labour-value in potatoes drew one and one-half days' labour-value in corn, it would not be possible so to mask transactions that a day's labour-value in corn should also command one and one-half days' labour-value in potatoes. Not only would the flow of labour from corn to potatoes *tend* to prevent this as now, but, in a perfectly interacting and ideally formed society, it would eradicate the condition were it possible for it to come into existence. We may, therefore, eliminate (2) as impracticable, (3) as uneconomic and inconceivable in an ideal community, and (4) as rendering "profits" *nugatory* to the extent that it *succeeds*, and as being the same as one to the extent that it *fails*. This leaves us only (1) to consider. Under normal conditions, like those indicated in the preceding diagram, shelter and food would exchange value for value. In Fig. 1 of the following Chart, at Fig. 1, we have a slightly varied statement of the aforesaid normal conditions, in which the 50 singly obliquely cross-hatched areas represent shelter and clothing to the amount of 50 labour-units to be exchanged for food, while the 50 doubly cross-hatched areas represent shelter and clothing reserved for consumption to the amount of 50 labour-units. The 50 vertically shaded areas represent food to be exchanged to the amount of 50 labour-units. The 50 open areas represent food reserved for consumption to the amount of 50 labour-units, the whole square representing the 200 labour-units produced by one isolated community of ten men in one unit of time.

The next figure represents the status resulting from compliance with the demand made by the makers of food that they be allowed a profit upon their goods, they receiving 15 units of shelter and clothing for 10 units of food. By reference to Fig. 2 of the Chart



# CHART U

FIG. 1

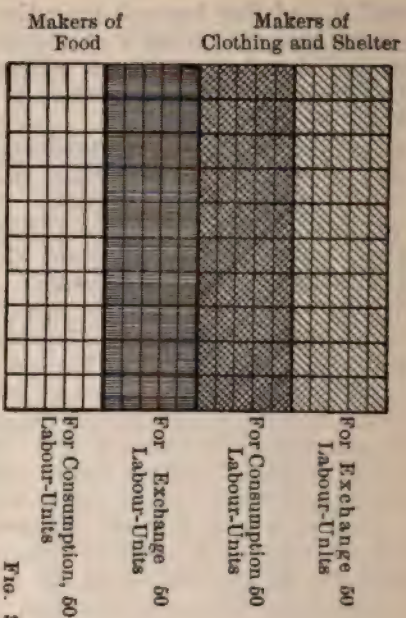


FIG. 2

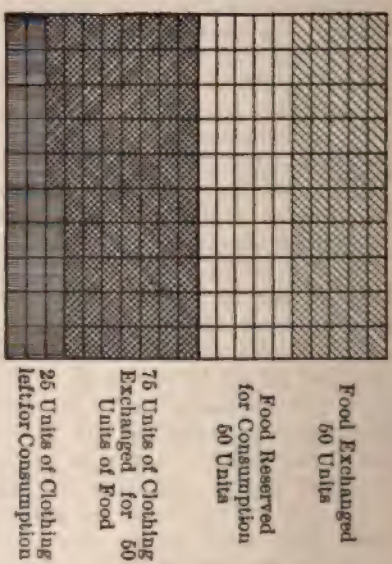
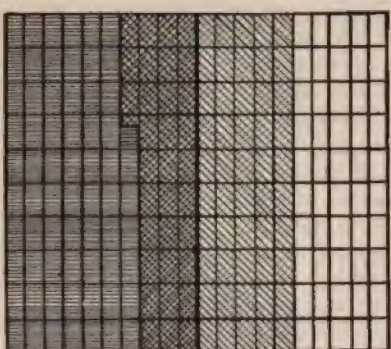


FIG. 3



60 Units of Clothing Exchanged  
for Food by Makers of Clothing

60 Units of Clothing  
Reserved for Consumption  
by Makers of Clothing

33 1/2 Units of Food received for  
Consumption by Makers of Clothing

66 2/3 Units of Food left Makers of  
Food for Consumption

## GILLETTE'S INDUSTRIAL SOLUTION

it will be seen that the 50 upper singly cross-hatched squares represent 50 labour-units of food exchanged for the 75 doubly cross-hatched squares of the figure representing the 75 units of clothing which are exchanged for the 50 units of food. The 50 open squares represent the 50 food labour-units reserved by the makers of food for consumption. The 25 vertically shaded squares at the bottom of the figure represent the 25 units of clothing left the makers of clothing for their consumption.

Observe, now, the following results of this condition of affairs, always bearing in mind that this little community was *ideal* before debauched by "profit"-taking, and that, under ideal conditions, 50 units of clothing and 50 units of food fully supplied all the desires of the community for one unit of time. Now, referring to Fig. 2 of the Chart we see that the makers of food both exchange and consume their normal amount of food to wit, 50 units in each case, but that they receive for their 50 food labour-units exchanged, 75 labour-units of clothing, leaving the makers of clothing but 25 units for themselves. Now, this 25 units of clothing being but half the normal demand of the clothing makers they are obliged to go half naked, a fact which touches both their comfort and their pride. The little society of ten immediately cleaves into two planes — two social strata, if you please; on the upper plane the fully clothed; on the lower plane the half-naked. Nor is this all. The makers of food have 25 units of clothing more than necessary to gratify all their normal desires. If it be not used it will waste, and, as they cannot use it in the gratification of normal desires, they invent abnormal ones. For the first time there creeps into the upper strata of our little community that ostentation which forms one of the distinguishing traits of savagery, of barbarism and of empty-headed civilisation. Each maker of food bedizens himself like a Maori in several suits of raiment, worn, perhaps, one over the other, or, at all events, so put in evidence that the gap between him and his half-naked brother is still further accentuated. On the one hand, flamboyant pride and garish ostentation, on the other hand, cringing humility and shivering nakedness. The overdressed strut about like peacocks and jeer their less fortunate fellows until forbearance ceases to be a virtue. When they can stand it no longer, the makers of clothing determine that they will put an end to it. Do they not make the clothing themselves, and cannot they reserve enough of it fitly to attire themselves? To be sure they can, and, moreover, they will. They will keep their 50 units of clothing for their own consumption and only part with 50 units for food. This they accordingly do, and the status is as in Fig. 3 of the Chart, from which it will be seen that the 50 open squares represent the clothing which the makers of clothing exchange for food, while the  $33\frac{1}{3}$  doubly cross-hatched squares represent the food units which they receive for their 50 units of clothing, the small amount being due, as we have seen, to the "profit" demanded by the makers of food. The singly obliquely cross-hatched squares represent the 50 units of clothing which the makers of clothing reserve for their own consumption, in order that they may not be humiliated by being im-



## GILLETTE'S INDUSTRIAL SOLUTION

properly clad. The  $66\frac{2}{3}$  vertically shaded areas represent the food units left in the hands of the makers of food. Now it is important here to make passing mention of a most vital consideration.

We have treated the makers of food and the makers of clothing as two solidarities and have not, therefore, heretofore called attention to that which is every day happening about us under our present régime. When, as at Fig. 2 of the Chart, the "profit" system gave the makers of food more raiment than they needed, they consumed this in ostentation and conspicuous waste. The point to which we wish to call attention is this. If we assume, for a moment, that the makers of clothing are *imperfectly socialised*, which is the same as saying that they are *considerably individualised*, the makers of food will not always use their surplus raiment in *ostentation*, but will turn it back in competition against some one or more of the men who made it, in a way to enslave him, just as we saw in the case illustrating the effects of interest detailed in a preceding chapter. The same thing, under similar conditions would, of course, result from the status exhibited at Fig. 3, to which we will now return.

It will be seen that the makers of clothing, instead of going half-naked have chosen to go  $1/3$  starved. The result of this is that the makers of food, who properly can consume only 50 food units in the satisfaction of all their desires, find themselves with  $16\frac{2}{3}$  food units spoiling on their hands. What will they do with them? If the makers of clothing have sufficient lack of social coherence so that they can play one against another, they will immediately use this surplus, as above stated, in enslaving them. If the socialisation of the makers of clothing prevent this they will seek to consume the food themselves, and this they can do only by resorting to gluttony, ostentation, and conspicuous waste.

Under this system, as under the other, our little community will break into two planes of social cleavage; the upper strata consisting of the overfed, gouty, and prosperous gentlemen, and the lower plane comprising the ill-nourished, weak, and hungry failures. Now, what occurs in this little community of ten, producing but two kinds of commodities, when the "profit"-taking system descends vulture-like upon it, occurs also in larger communities with an almost innumerable membership, and a complexity of production suited to our modern, partially civilised needs. Great numbers mask the transactions, and the almost infinite versatility of production beclouds the issue to the casual observer, but neither the one nor the other can hide from him who thinks the fact that the wolf-tooth of "profit," as it is called, bites our boasted civilisation to the bone. No amount of sophistry can cover the fact that the inevitable corollary of what is commonly called "profits," is *loss*. That what one side "gains" and "makes," in such transactions, the other side *loses*. This again shows the rule that that which cannot be *generalised to include all men is not founded on equality, and is not just*. All cannot make "profits" in any degree, not to say *equal profits*,

## GILLETTE'S INDUSTRIAL SOLUTION

and, therefore, the profit-taking system cannot justify itself in absolute ethics.

The favourite contention of the admirers of "free competition," to the effect that proper exchanges show a "profit" to *both* sides, in that they give to each side something it prefers to that with which it parts, is unworthy quibbling. It has nothing whatever to do with the case in point, and is only sand to obscure the vision of the unwary. They who voice such ideas know as well as any that desirability does not measure value, on the one hand, while, on the other, they are equally well aware that to secure a "profit" one must receive a greater labour-value than he gives. They know, too, that such a condition of affairs cannot be *generalised*, and *we* know that this is only another way of saying that it is *unjust*.





## **CHAPTER XXXIII**



There are ninety and nine that live and die  
In want, and hunger and cold,  
That One may live in luxury  
And be lapped in its silken folds:  
The ninety and nine in their hovels bare,  
The One in a palace, with riches rare.

They toil in the fields, the ninety and nine,  
For the fruits of their mother earth;  
They dig and delve in the dangerous mine  
To bring her treasures forth;  
But the *wealth* released by these sturdy blows,  
To the hand of the One forever flows.

From the sweat of their brow the desert blooms,  
The forest before them falls,  
Their labour has builded humble homes  
And cities with lofty halls;  
But the One owns the homes and cities and lands,  
While the ninety and nine *have empty hands*.

Dear Lord, how long shall their wrongs be dumb?  
How long the hopeless strife,  
Ere the hearts that die and the souls benumbed  
Shall quicken in new-born life;  
And the empty hands which toil from birth  
Be clasped in a bond that spans the earth?

Ere the night so dreary, so dark, so long,  
Shall that glorious morning bring  
When over the earth the victor's song,  
The ninety and nine shall sing,  
And echo afar, from zone to zone:

"REJOICE, FOR LABOUR SHALL HAVE HER OWN!"

*Lee Francis Lybarger.*

Many sweating, ploughing, threshing, and then the chaff for payment receiving:

A few idly owning, and they the wheat continually claiming.

*Walt Whitman.*

Our present social maladjustments not only rot the children of the slum, but the children of the boulevard as well.

*Henry Hardinge.*

Our national wealth to-day is \$106,000,000,000. By the close of the century it is estimated to become 2,000 billion dollars. But will the great tolling masses of America be any better off then than they are now? Experts declare that if present conditions continue,  $\frac{2}{3}$  of this enormous increase of wealth will go to swell the fortunes of those already enormously rich.

*Lee Francis Lybarger.*

. . . the landlords of the United States who receive some \$4,000,000,000 in rent annually, do not greatly exceed 10% of this total population — 54% of the people paying rent and only 10% of the people getting it.

*Ibid.*

We may . . . at last be forced to turn our attention to justice, an attribute which is as certain, satisfying and effective, as charity is uncertain, insufficient and futile.

*Ernest Crosby.*

Men fight for crusts when they are starving, but they do not quarrel over bread at a banquet table.

*Edward Bellamy — Equality.*

Fellowship is heaven, and lack of fellowship is hell.

*William Morris.*

Fear is man's worst enemy. We will glide from this life into another, and if we look back, we will smile to think that we ever had a pang of apprehension.

*Elbert Hubbard.*



## CHAPTER XXXIII



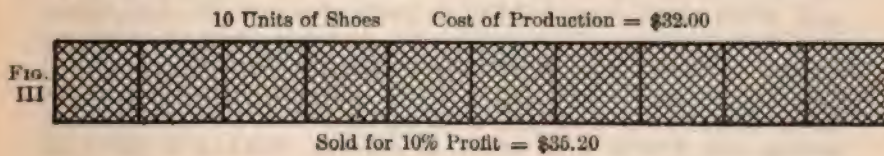
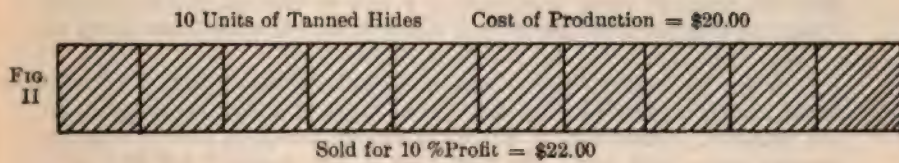
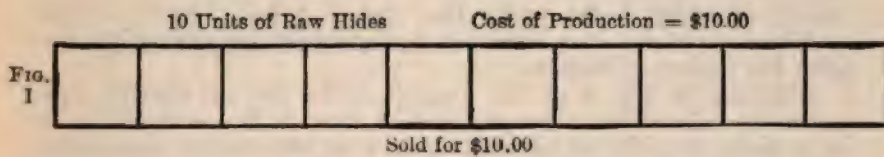
HAT the labourer would, under a just system, be able to purchase back his product is a saying which seems so trite that we are far too prone to overlook its significance. To show that profit-taking prevents such a consummation, as well as to develop some other considerations worthy of note, we offer the following illustrations. A, B and C are engaged in the production of a finished product called *shoes*, each one performing a certain part of said production. A produces raw hides, B tans them and C makes them into shoes which he sells. Referring now to the diagram (EE) the squares in Fig. 1 represent 10 units of raw hides which, we will say, cost \$10 to produce, and which A sells for \$10. Fig. 2 represents 10 units of tanned hides which cost B \$20 to produce; \$10 of this sum being paid to A for the raw hides. B sells these hides at a 10% "profit," so-called, that being, to use his words, the only incentive which led him to engage in the business of tanning. In order to get his 10% profit he sells these hides to C for \$22. The ten areas in Fig. 3 represent 10 units of shoes which cost \$32 to produce; \$10 of that being the value C added and \$22 the amount paid B for hides. C like B, has been induced to enter the shoe business by the so-called allurements of "profits," and he charges a 10% profit even as B did, selling his product for \$35.20.

Now let us see how each of the parties to this transaction stands with regard to his ability to buy back his own production. Each man has added \$10 productive value toward the general fund and two of them have extracted a 10% profit. The shoes are sold for \$35.20 and if A, B and C are each to purchase a third of them, each must be able to pay one-third of this \$35.20, or \$11.73  $\frac{1}{3}$ . Now A has received but \$10 for his hides, and so has but \$10 with which to purchase the \$11.73  $\frac{1}{3}$  worth of shoes which justly constitutes his third of the total product. We see, therefore, that he is deprived of \$1.73  $\frac{1}{3}$  worth of his product, or, to put it in another way, when he comes to purchase back what he has produced he finds that all he has received is too little by \$1.73  $\frac{1}{3}$ .

B receives \$22 and pays A \$10 for hides so that he has \$12 with which to purchase his \$11.73  $\frac{1}{3}$  worth of the total product or 26  $\frac{2}{3}$ ¢ more than is necessary.

C, however, pays \$22 and receives \$35.20 leaving him \$13.20 with which to repurchase the \$11.73  $\frac{1}{3}$  worth of shoes representing his just share of the total product. In other words, C can buy back what he has produced and have \$1.46  $\frac{2}{3}$  left over. We see, therefore, that A emerges from the transaction \$1.73  $\frac{1}{3}$  too poor to buy back his own production. B has 26  $\frac{2}{3}$ ¢ more than is required to buy back

# CHART E E





## GILLETTE'S INDUSTRIAL SOLUTION

his production, and C has  $\$1.46 \frac{2}{3}$  more than is necessary to repurchase his one-third. Now by adding together B's "profits" of  $26 \frac{2}{3}\%$  and C's "profit" of  $\$1.46 \frac{2}{3}$  we get a total of  $\$1.73 \frac{1}{3}$ , the exact amount of A's loss. We see, therefore, that here, as elsewhere, the "profit" of one side is exactly balanced by the loss of the other side.

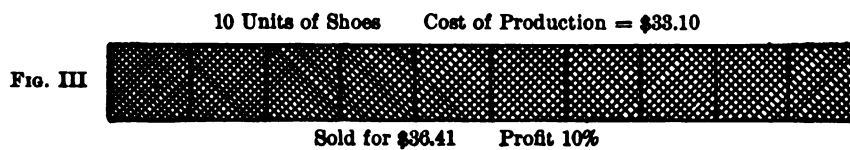
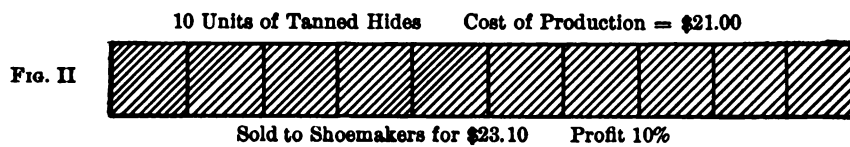
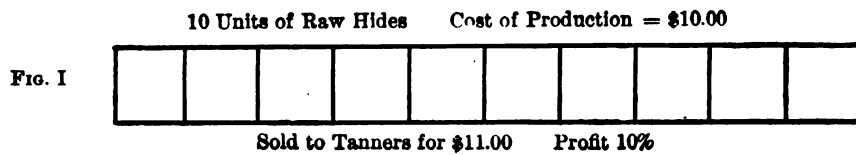
This proposition looks ridiculously simple on its face, and the casual reader will say that all this is just what might be expected if B and C charge "profits" while A charges none. We shall see, however, that there is more here than immediately appears, and that even if A were to charge the same per cent. of "profit" that B and C charge the difficulty would not be cured. Moreover, C's "profit" of  $26 \frac{2}{3}\%$  might easily be wiped out and his account exhibit a *deficit*, were the chain of production one of *ten* links instead of *three*. In order clearly to exhibit to the reader that even if A had charged a 10% profit he would not have been able to repurchase his production, we offer the following diagram.

Referring to Fig. 1 of the diagram (FF) the ten squares represent 10 units of raw hides produced at a cost of \$10, and sold to B at a profit of 10%, or for \$11. Fig. 2 of the diagram represents 10 units of tanned hides produced at a cost of \$21, \$11 thereof being the cost to B of the raw hides. These tanned hides B sells to C at a profit of 10% or for \$23.10. Fig. 3 of the diagram represents 10 units of shoes produced at a cost of \$33.10, \$23.10 thereof being the cost to C of the tanned hides of B. C sells these shoes at a 10% "profit" receiving for them \$36.41.

Now let us consider the attempt of each of these parties to purchase back his one-third of this total product with the amount he has received. One-third of \$36.41 equals  $\$12.13 \frac{2}{3}$ , and this is the amount each must pay. We find that A has received but \$11 and, therefore, that there is  $\$1.13 \frac{2}{3}$  worth of his product that his receipts will not purchase. B, on the other hand, has received \$23.10 out of which he has to pay A for raw hides \$11, leaving him \$12.10 with which to buy back  $\$12.13 \frac{2}{3}$  worth of shoes. We find, therefore, that there are  $3 \frac{2}{3}\%$  worth of shoes produced by B which his receipts will not enable him to buy, despite the fact that he added 10% for profit. Referring now to C's account we find that he received \$36.41 from which he must pay B \$23.10 for tanned hides, leaving him \$13.31 with which to purchase  $\$12.13 \frac{2}{3}$  worth of shoes, or  $\$1.17 \frac{1}{3}$  more than is necessary.

Summing up results we find that A is  $\$1.13 \frac{2}{3}$  behindhand, while B is  $3 \frac{2}{3}\%$  in arrears. Adding these two deficits together, we get the sum of  $\$1.17 \frac{1}{3}$ , the joint deficit of A and B, which we find is exactly the amount gained by C. This once more demonstrates that the inevitable corollary of *profit* is *loss*. It is to be noted in this connexion that, the earlier a link is in the chain of production, the larger is the per cent. of the robbery which it has to sustain. In both of the diagrams B's lot is better than A's, and C's better than B's. In the first diagram B was more than able to repurchase his product, while in the second he was not quite able to do so. C, on the contrary, in both cases, could more than purchase back his

CHART F F





## GILLETTE'S INDUSTRIAL SOLUTION

product. Had this chain of three links, however, been one of ten instead, we should have found C unable to repurchase his product, but still enjoying an advantage over B.

The above considerations are especially significant for the following reasons. First, they show why the "profit"-system bears with its greatest severity on the original producer of wealth, though a moment's thought will be necessary in order clearly to perceive the reason, which inheres in what we may call a "compounding of profits" analogous to a compounding of interest.

Second, they show that even though the original producers charge the same per cent. of profit as the after-handlers of their product, the injustice is not removed.

Third, they show just why labour cannot repurchase its product under a "profit"-taking system.

Fourth, they show how the advent of each middleman makes matters still worse for the producer, using the term "producer" in a special sense to signify the *first human factor in production*.

Fifth, they illustrate the crying injustice of B in demanding a "profit" not only upon his *own production*,—which Heaven knows would be quite bad enough of itself! but in addition to this a "profit" on *A's production*, and, *piling Pelion on Ossa*, a profit on *A's profit*, and the injustice, still greater if possible, and certainly more serious in effect, of C in demanding a profit not only on his own production, but on A's production, and on B's production, and on A's profits and B's profits.

In order to develop this thought of the untoward effect of middlemen, *increasing as their number increases*, let us take another illustration, after once more advising the reader that all of these illustrations are qualitative, not quantitative. For example, in the following illustration no attempt whatever is made accurately to determine the cost of milling wheat, the cost of transportation, the particular side of each transaction which bears this cost, or the usual rate of "profits" pertaining to the various links of the productive chain. All this is apart from our purpose and would serve only to confuse the reader. In place of figures, we could just as well use algebraical letters, were it not that these would be found more difficult to keep before the mind's eye. Here, as elsewhere, we are after *principles*, and are quite indifferent as to amounts. If a thing be *unjust* multiplying it by a million will not make it *just*, neither will dividing it by the same amount give a quotient of equity. The principle which governs the small thing will none the less govern the large one. With this caution let us proceed with our illustration.

A is a farmer who raises wheat as well as a consumer who consumes wheat flour. B is a middleman to whom he sells it. C is a wholesaler who buys of the middleman and sells to those who mill it. D is the miller who grinds it into flour. E is the wholesaler who handles this flour and sells it to the retailer. F is the retail grocer who sells the flour to A who produced the original wheat. For convenience in reckoning we assume a uniform 10% rate of "profit."

By referring to the diagram (GG) Fig. 1 represents A's account, the 10 open squares indicating 10 units of wheat which cost in labour

# CHART G G

FIG. 1.

10 Units of Wheat which cost in Labour Units \$10.00 to Grow



Sold to Middleman B for 10% Profit = \$11.00

FIG. 2.

10 Units of Wheat in hands of Middleman which cost him \$11.00 + \$.50 transportation = \$11.50



Sold to Wholesaler C for 10% profit = \$12.65

FIG. 3.

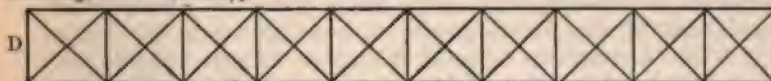
10 Units of Wheat in hands of Wholesaler which cost him \$12.65 + \$.50 transportation = \$13.15



Sold to Miller D for 10% profit = \$14.465

FIG. 4.

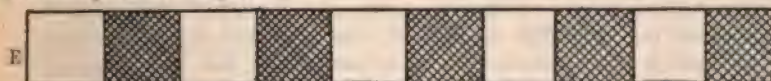
10 Units of Wheat ground into Flour in hands of Miller which cost him \$14.46½ + \$.50 transportation = \$14.965 + \$2.00 estimated cost of grinding, barreling, etc. = \$16.96½



Sold to Wholesale Flour Merchant E for 10% profit = \$18.66

FIG. 5.

10 Units of Wheat in Flour in hands of Wholesaler E which cost him \$18.66 + \$.50 transportation = \$19.16



Sold to Retailer F for 10% Profit = \$21.076

FIG. 6.

10 Units of Wheat in Flour in hands of Retailer F which cost him \$21.076 + \$.50 transportation = \$21.576



Sold to Consumer A for 10% Profit = \$23.733



## GILLETTE'S INDUSTRIAL SOLUTION

units \$10 to grow. A sells this at a 10% profit to B, receiving \$11 therefor. Fig. 2 represents the account of B, the middleman. The singly cross-hatched squares represent 10 units of wheat in the hands of the middleman for which he paid \$11 to A and 50¢ additional for transportation. This he sells to the wholesaler, C, for a 10% profit, or for \$12.65. Fig. 3 represents the account of C, the wholesaler. The doubly cross-hatched squares represent the 10 units of wheat in the hands of the wholesaler for which he paid middleman, B, \$12.65, and 50¢ for transportation, or a total of \$13.15. C adds a 10% profit to this and sells it to the miller, D, for \$14.46  $\frac{1}{2}$ . Fig. 4 represents the account of the miller, D, the squares containing the crosses representing the 10 units of wheat ground into flour costing the miller C's charges of \$14.46  $\frac{1}{2}$  + 50¢ transportation + \$2, the estimated cost of grinding, barreling, etc., or a total of \$16.96  $\frac{1}{2}$ . To this the miller, D, adds 10% profit, selling the 10 units of flour to the wholesale merchant, E, for the sum of \$18.66. Fig. 5 represents the account of the wholesaler, E, the 10 alternately cross-hatched and open squares representing 10 units of wheat in flour in the hands of wholesaler, E, costing him \$18.66 paid to miller, D, + 50¢ transportation equal \$19.16. E adds his 10% profit to this and sells the 10 units of wheat, in the form of flour, to the retailer, F, for \$21.076. Fig. 6 represents the account of the retail grocer, F, the 10 horizontally shaded areas representing the 10 units of wheat, in the form of flour, in the hands of the retail grocer, costing him \$21.076 paid to the wholesale merchant, E, + 50¢ transportation, or \$21.576. The retail grocer adds his 10% profit and sells the 10 units of wheat, in the form of flour, back to A who originally grew the wheat, for the sum of \$23.733.

Now if we assume that the grinding of this wheat, the necessary transportation to the mill and from the mill to the retail grocer, and the labour of this retail grocer as distributing agent, to enhance by 30% the intrinsic value of A's wheat in bulk, we find that the real value of A's product at the retailers is \$13, and that if he buys this back he must pay \$23.73, so that, while he ought to be able to buy with his \$11,  $\frac{11}{23}$  of all the wheat, he in reality can purchase only a little less than  $\frac{11}{23}$  thereof — less than half of it! His wheat has not been helped any *intrinsically* by passing through B's, C's and E's hands, but they have levied a "profit" tax upon it and he has to pay it. The miller, D, has rendered him a service, and if we consider A not merely as one individual, but as a complex society, we may hold that the distributing agent, F, has likewise rendered a service. There are also two transportations which are legitimate. All the rest is unnecessary, wasteful, and serves only to illustrate how beautiful a thing it is to pay a profit, and then a *profit upon a profit*, even when no real service is rendered. Useless transfers of any commodity, whether nominal or real, should not be considered a social service, and should not be paid for.

We see from the foregoing how the consumer is taxed to support a vast mechanism most of which, however noisily obtrusive and insistent it may be, is none the less unproductive and expensive. This costly redundancy is charged from one factor to another till, *ever*

## GILLETTE'S INDUSTRIAL SOLUTION

*accumulating*, it reaches the consumer who has to pay for it, and as this consumer is, for the greater part, the producing factor, it follows that labour is not able to repurchase its own product, which is to say, that labour does not receive anything like the total value of its product.

An ideal society, like a perfected invention, will be remarkable for its simplicity and its efficiency, and as all evolution, in the matter of invention, is from the complex to the simple, so the evolution of social principles will exhibit the same trend, proceeding from complexity to simplicity. It is possible to send wheat direct from the field to the mill and from the mill to the final distributor, who need really be little more than the custodian of a storehouse. All the useless dragging up and down the country, which goes on under our ingeniously bad system, is sheer economic waste. If a man were carrying a sack of grain to a mill and it developed a leak which he could not stop, he would be a fool to go the longest way around, and to make all sorts of needless digressions. He would realise that his sack was leaking all the time, and that the quicker he got it to its destination the more of its contents would he save for himself. Now this is precisely the condition of affairs under the present régime. The producer's sack of wheat is leaking into the lap of *every middleman who handles it* and, where the handling adds no value to it, this leak is *sheer, inexcusable waste*. Is it not marvellous that so patent a fact has to be stated in order to bring it into the public consciousness? We are so used to the cumbersome inefficiency of our present ramshackle social machine, that its creakings and groanings, instead of admonishing us that it is soon to go to pieces utterly, have become as music to our ears, serving only to make thought thoughtless.

In closing this discussion of rent, interest, and "profits," so-called, we wish once more to emphasise the fact that *names* count for nothing. It matters not to labour whether his bread is devoured by the Dragon, Rent; the Vampire, Interest; or the Hyena, "Profits." These details all vanish into insignificance beside the one vital fact that he *had been robbed* of that which he needs to satisfy his hunger. Either the labourer is able to buy back his product, or he is not. If he is, he is getting in wages the equivalent of his production. If he is not able to repurchase it, *somebody else is getting that part of his production which he cannot buy back*. This is the great fact to him. This somebody may be a landlord, a capitalist, or a "profit"-taker; his only interest in determining *which* one it is, is that he may be the better able to check the robbery.

We live under a complex social régime, acting in an imperfect environment peopled by erring human beings, wherefore, it follows that absolute ethics is by no means immediately possible in all, if in any, cases. The thing we *can* do is always to strive to adopt the "least wrong" and "most right" course, which will insure that our progress shall be *toward* the *ideally* right. To do this intelligently we must know, as far as may be, the requirements of absolute ethics, and we confidently believe that a thorough and unprejudiced perusal of the subject will lead the reader substantially to the



## GILLETTE'S INDUSTRIAL SOLUTION

same conclusion regarding interest, rent and profits, which we have set forth in the foregoing chapters, and which have led us to contend that, in an ideal community, interest, rent, and profits would all be *conspicuous by their absence*.

This is but another way of saying that it is our faith that any system which makes toward better social conditions always will tend away from these factors, and will, though in the beginning it may leave all, or some, of them almost untouched, ultimately end in their complete eradication.

## **BOOK III**



Said the Slumchild to the Wise—  
To the people of place and power  
Who govern and guide the hour,  
To the people who write and teach,  
Ruling our thought and speech,  
And all the Captains and Kings  
Who command the making of things:—  
"Give to me the good ye know,  
That I, the Child, may grow!  
Light, for the whole day long,  
Food that is pure and strong,  
Housing and clothing fair,  
Clear water and clean air,  
Teaching from day to day,  
And room—for a child to play!"

Then the Wise made answer cold:  
"These things are not given, but sold.  
They shall be yours to-day  
If you can pay."

"Pay!" said the Child, "Pay you?  
What can I do?  
Only in years' slow length  
Shall I have strength.  
I have not power nor skill,  
Wisdom nor wit nor will—  
What service weak and wild  
Can you ask of a little child?"

But the Wise made answer cold:  
"Goods must be bought and sold;  
You shall have nothing here  
Without paying—paying dear!"  
And the Rulers turned away.  
But the Child cries on them: "Stay!  
Wait I will pay!"

"For the foulness where I live,  
Filth in return I give.  
For the greed that withholds my right,  
Greed that shall shake your might.  
For the sins I live in and learn,  
Plentiful sin I return.  
For my lack in home and school,  
Ignorance comes to rule.  
From where I sicken and die,  
Disease in your homes shall lie.  
My all uncounted death  
Shall choke your children's breath.  
Degenerate—crippled—base—  
I degrade the human race;  
And the people you have made—  
These shall make you afraid!"

"I ask no more. I take  
The terms you make;  
And steadily day by day,  
I will pay."

*Charlotte Perkins Gilman.*

Dear John: I hate to own up but I'm a second class power. "I was a corporal once," said Mulvaney, "but I was rejuiced." Without jokin', I recall the time when I led the world — no doubt about it. Now how is it? Why, I've taken aboard a lot of low down ideals, about warships, war and fightin', and have taken pretty much my whole family back about a thousand years. The whole crew are affected. Even the Quakers vote staunchly for the war party, and that too in times of peace. Well, what of it? Well, while I've been goin' back towards barbarism, right in the teeth of the Fathers and flat agin the doctrines of Christ himself, two little countries down in South America have marked away up beyond my highest score.

Yes, sir; Chili and the Argentine Republic are the highest nations in the world to-day, if you figure on the doctrines of Christ. I don't know as it's entirely safe and sane to figger 'em in nowadays — not popular, anyway, among the leaders; but they've got there — the South Americans! It was this way: They got to fightin', the two countries did, and it was pretty fierce. Then they took another notion. "What's this," they said, "that we are a dealin' out to ourselves? Let's quit!" and they did; and here's their marker: Instead of buildin' more warships, they cast their cannon into a great statue of Christ, and they dragged it in sections, soldiers and sailors helpin', away up on the highest accessible point on the Andes Mountains, and set it up on the boundary line between the two nations. And then they had a big celebration, and went up to unveil the statue; and, there, with the Chillians standin' on Argentine soil and the Argentines standin' on Chilian soil, they unveiled the statue of Christ, and on it were the words:

*"Sooner shall these mountains crumble into dust than Argentines and Chilians break the peace to which they have pledged themselves at the feet of Christ the Redeemer."*

Now what do you think of that! and I had a mighty sight better start than either of those countries, and all the advice of the Fathers to boot.

And who did it? Who raised this "Christ of the Andes?" Well, a priest was mixed up in it, Bishop Benavente, and I say, give him credit! Yet mainly the women did it — the women of Buenos Ayres. They raised the funds.

And then what happened? They stopped buildin' their four warships, reduced their armies to police, put the money into good roads and sent the navy into commerce. Did anything get 'em? Not a thing! They arbitrate their differences. They are happy, contented and have confidence in one another; but the point is, John, the women — the women did it! There has not been as notable a thing by women since Joan of Arc — nay, since Eve.

And why should not women act? Why should they not stop murder when they come to their own? Why should they not come to their own? All wars are against women. In war the bullet finds the heart of the woman more surely than that of the man; and when the great warships fight, and the bands play, and great guns boom and the glory of war arrives, and the shell explodes; — that horrid red blot was — your own dear little baby sister, whose quivering lip you have kissed in the grief of childhood — or some other woman's — what difference? That's what I tell 'em. Stop it, sisters! You only can. Influence but one man each, and the work is done!

*Uncle Sam's Letters to John Bull — The Public.*



## CHAPTER XXXIV



THE foregoing chapters dealing with rent, interest, and "profits" are quite sufficient to show the reader why we contend that the ideal social régime, when reached, will be a system under which rent, interest and "profits" will play no part. In stating this much we have inferentially stated nearly all the rest.

We have sought to determine the most salient features of a perfect system, in order that the system we are about to outline may be compared with it, to determine in how far it meets ideal requirements. Man seeks to gratify his desires with a minimum amount of exertion and, under an ideal régime, he would succeed in getting the largest possible results in terms of satisfaction, from the smallest possible outlay in terms of effort and sacrifice. This means not only that production would be raised to its highest efficiency, but that consumption would be enhanced, transfigured and glorified in a way heretofore unknown. If a denizen from some other planet were to drop down into the United States to-day; if he were to read our "standard" political economies; were to examine the statutes in our law-books; and were to listen to the fulsome, grovelling deference paid to our captains of industry, he would, in all probability, get the idea that we were wonderful *producers*, but that *consumption*, the other side of the equation, was *entirely unknown to us*.

He would observe how our food-supply is poisoned; our citizens made the puppets and playthings of transportation and public utility corporations; and he would hear all complaints against such outrages met upon the ground that business interests are too sacred to be tampered with. We really could not blame him, if, observing the workings of our social system,—or more properly our lack of social system,—he concluded that the consumer had nothing to do with business, and possessed no rights which a "white man was bound to respect."

Under a perfect system *consumption* would be of more importance, in a way, than production, for it would universally be recognised that consumption is the sole aim of production, and that if consumption should fail or its pleasures be in any wise decreased, production would fail in precisely the same degree, and for precisely the same reasons. The end of life is happiness. This happiness is largely attained through consumption. Production is engaged in that consumption may be possible. To produce what is not consumed is to produce uselessly. An ideal system, therefore, will use every effort to stimulate and perfect consumption; to find needs which, when ministered to, will yield satisfaction; to gratify the primal needs of the race and to discover the many higher needs of a civilisation in full

## GILLETTE'S INDUSTRIAL SOLUTION

flower. Production will be stimulated just in so far as is necessary in order to give consumption this full and proper sway.

Life is, or, at least, *should be*, a sort of pleasure excursion, if you please, for which we need to provide ourselves with a certain amount of food, raiment, etc., etc., to be used on the journey. *All else is needless impedimenta, a source of worry and discomfort!*

When we say that man will tend to gratify his desires with the minimum amount of exertion, we say, by implication, that each man will tend to do those things to which he is naturally attracted, and for which he is best fitted. It is natural for us to like best that which we do best, and it is certainly most profitable that each member of society should, as far as possible, engage in that occupation to which he is best adapted. "The labour we delight in physics pain." The difference between work and play is not a difference in *energy output* — is not measured in terms of difficulty, is not computed in units of mental strain, but is a mere matter of *mental attitude*. A game of football requires vastly more outlay in foot-pounds of energy, more physical strain, and mental alertness, than is required in digging potatoes for the same length of time, yet the observing have doubtless noticed that not a few young men, if given a free choice, would choose the football game in preference to the potato digging. The reason commonly given for this condition of affairs is that the one is play, the other work, but, as this alleged explanation does not tell us how work differs from play, it misses the kernel of the whole subject and conveys little information. Any activity in which we freely engage because we wish to engage in it, has the essential characteristics of play. When men are free to choose their occupations, it will be found that the overwhelming majority will possess some dominant aptitude, the exercise of which will be a gratification equivalent to play. This is all that is necessary in order to lift the crushing burden of toil from the shoulders of the race; — to make work, play. That there are other considerations making to the same end will at once appear to the thoughtful, as, for example, the retroactive effect of results upon the work necessary to produce them. The joy in planting a fruit tree may result not from the actual labour *per se*, but from the attainment of the fruit which this labour makes possible. We see this emphasised in children who frequently will sacrifice much energy in the attainment of an ultimate goal, and no saying is truer than that we are all children of a larger growth.

In an ideal community, then, *men will choose their own occupations* with so few exceptions that they may be considered purely negligible. Such a condition of affairs inevitably will tend to place all the members of the community on a plane of equality, which is to say, that our hypothetical ideal society will be a *perfect democracy*. The leading characteristic of a democracy is its *decentralising tendency*, its tendency to make the *widest possible distribution of power*. Wherever political activity becomes *concentrated*, as is the tendency in the United States to-day, the trend of affairs is *away* from democracy and toward some sort of *oligarchy* or *monarchy*. A community, before it can ever become an ideal community, must efface



## GILLETTE'S INDUSTRIAL SOLUTION

all its oligarchic tendencies,—*must brand* as with the *brand of Cain every politician who seeks to concentrate political power in the hands of the few*. Such an advancing community will make its headway by insistently, in season and out of season, contending for a decentralisation of power, until all the political power shall be given back to the people.

Chief among the methods by which these results will be attained, will be found in the Initiative, Referendum and the Power of Recall, or some substitute yet to be discovered for these great democratic institutions. Attaining its greatest perfection through the use of such instrumentalities as these, the new society naturally will safeguard itself by their perpetuation. Its upward struggle will have taught it, if it did not know it before, that power vested in an individual is one of the most *corruptive forces known to mankind*. It has been said that history furnishes but three names of men, who, clothed with almost absolute power, never abused it.

The distinguishing characteristics of the perfect society will be the full development of what we have called, for want of a better name, *the social sense*. There is a world-wide difference between an individual whose motives are *personal* and one whose motives are *social*. It is a promising and suggestive thought that most of us are beginning to show certain glimmerings of this budding sense. He who goes out of his way to remove a dangerous obstruction from the sidewalk, and he who, though unwatched, refrains from expectorating in public places even as he would in the privacy of his own home, both are acting under the stimulus of that social sense which seeks to guard the social body, just as egoism seeks to guard the individual body. That this social sense is only just beginning to stir the majority of us is evidenced by the fact that private crimes are still considered vastly more heinous than public ones. The highwayman who holds up an individual for his purse is still thought more reprehensible by most people than that other *chevalier d'industrie* who holds up a municipality and steals its franchises. In the first case one man is robbed once; in the second case, a million people are robbed, not once, *but every day and all day, year in and year out!* When the social sense is fully developed, the crime against the individual will be considered almost as nothing in comparison with the heinousness of a *social* crime.

Under a perfect social system the inexpressible waste, confusion and general inefficiency of our present system will all be abolished, and, as a result of this, men will be able to produce tenfold what they now produce, and will, in the meantime, derive the keenest pleasure from their production. This means that the world will be beautified as never before. Want and the fear of want will be banished. Disease, which is usually fathered by fear, worry, or lack of proper nutrition, surroundings, etc., will take to itself wings. A developed social sense will not risk the health of the whole social body for the sake of any fanciful individualistic rights of a disease-infected social unit. Activities, which now for the most part, spend themselves in competitive strife, as well as other similar activities leaving now no valuable residuum whatsoever will, in a properly constituted

## GILLETTE'S INDUSTRIAL SOLUTION

community, vie with each other in the attempt to attain the highest human levels.

It is needless further to particularise the results which will follow the perfect socialisation of the human family. Enough has been said to lead the reader to form his own picture for himself. We wish, in closing this particular subject, to impress upon the reader that these results will as naturally follow the development of a social sense as the present war, chaos, waste, and degradation have attended upon the competitive, egoistic ideals of savagery.

Let us make the point clear by an illustration. Ten men combine and form a corporation for the manufacture and sale of a given product. This corporation is now supposed by its members to be, as it were, a new and higher type of person,—a person of more importance than any one or two or three of its component men. In the natural course of events each of these ten men will ever have in mind the welfare of this new corporate personage. The result will be that the corporation will most likely achieve a success which no one of the individuals could hope to equal. This is what follows when each member of this little society, constituting the corporation, is, so far as it is concerned, endowed with a social sense and acts in conformity with it. Now suppose, for a moment, that the treasurer, let us say, of this company, suddenly loses this social sense, and begins to act upon a strictly individualistic basis. Suppose he helps himself to the funds in the treasury, thus sacrificing the corporate personage to himself. He possibly may succeed from a purely *selfish* standpoint, but what will happen to the society of ten as a *society*? Now, let the other nine members follow the lead of the treasurer, to the extent of considering their own selfish ends as of more importance than the corporate ends, and what chance for financial life has the corporation? None whatever. What chance for improvement, then, has society under the existing régime, or under any régime where the individual is the largest aggregate which ever occupies the individual's attention? What chance, we repeat? Just this chance—the chance that the individual will develop to a point where he will perceive that his own best good, *upon a purely personal basis*, will be the quickest and most completely attained through the exercise of this new social sense. This is precisely the problem to which Gillette's Social Redemption addresses itself. It expects to be able to show any unprejudiced person, endowed with a competent mind, that Nature is not a *diabolical scheme* in which *goodness, nobility and altruism spell individual failure*, but rather that the great scheme of affairs, as we have shown in a preceding chapter, not only is, *but of necessity must be*, one in which natural evolution makes toward an increase of human happiness.

The burden of current thought is that any considerable social betterment is impossible because of man's insuperable and ineradicable selfishness. *This is the most pessimistic utterance to which the human species has ever given voice.* It avers that the whole scheme of Nature is a trick of unalloyed diabolism; that things are so organised, *in their very essence*, that virtue *must* fail and vice



## GILLETTE'S INDUSTRIAL SOLUTION

*must* succeed; that in the very constitution of affairs it pays best to be a hog; that what is commonly called *selfishness* yields the largest return in units of happiness. This monstrous falsehood, into which many of our thinkers unthinkingly slip with such self-sufficient and unctuous ease, ought to find its refutation in its mere *statement*. It needs but a moment's thought to see that, if this were *true*, human nature would suicide and we should all be going post-haste, via barbarism and savagery from civilisation, to the lowest level of brute creation. Our reasons for these assertions have been set forth at sufficient length, in the earlier chapters of this volume and need not, therefore, be repeated here.

Having thus briefly sketched, in the foregoing pages of this chapter, some of the more conspicuous characteristics of an ideal society, we may now turn to a consideration of the plan offered by Mr. Gillette, in order to satisfy ourselves in how far it will meet these ideal requirements.

## **CHAPTER XXXV**



All have heard of Croesus, the rich man of history. And yet it seems that he was only worth about \$8,000,000. Seventy American estates could be selected with an average valuation of \$35,000,000. So you see poor old Croesus, with his little eight millions, would not be "in it" to-day.

*Lee Francis Lybarger.*

Had Mr. Rockefeller been born on that fair morning when Jesus was born, and had he got and saved a dollar a minute from that time until now, he would not have his present fortune! *One dollar a minute, for 60 minutes in the hour, for 24 hours in the day, for 365 days in the year, for 1907 years — and still not have his present fortune!*

*Ibid.*

Social service performed under the persuasion of self-interest is accompanied by so many deleterious and anti-social phenomena that it is high time we adopted a wiser system.

*Charlotte Perkins Gilman — Human Work.*

I am homesick.

Homesick for the home I have never seen,

For the land where I shall look horizontally into the eyes of my fellows.

The land where men rise only to lift.

The land where equality leaves men to differ as they will.

The land where freedom is breathed in the air and courses in the blood.

Where there is nothing over a man between him and the sky.

Where the obligations of love are sought for as prizes,

And where they vary as the moon.

That land is my true country.

I am here by some sad cosmic mistake

And I am homesick.

*Ernest Crosby.*



The argument most frequently used against Socialism is that its sponsors are dreamers, impractical, or those whose failure in life has made them dissatisfied with present conditions. As a successful inventor and the head of one of the largest corporations in the world, King C. Gillette is an eloquent refutation of this theory.





## CHAPTER XXXV



PERHAPS the most distinctive feature characterising the Gillette plan for social redemption is that it meets the régime now existing without the slightest abruptness of gradation. It starts with affairs as they exist and, without any revolutionary change at the start, produces, through an evolution as carefully graded as the colours of the spectrum, an ultimate result which is revolutionary in the extreme.

The operation of this system resembles nothing so much as the natural growth of a plant, for which we find its explanation will be made the more easy by dividing the subject into three successive departments which, for want of better terms, we designate respectively;

(1) The Planting of the Seed — or where the Gillette System meets the present system.

(2) The Plant in Process of Growth — showing the new system in practical operation.

(3) The Plant in Full Fruitage — showing the new system in full operation.

It will be understood, of course, that where any process is evolutionary all boundary lines must of necessity be of an arbitrary nature. We cannot say, in referring to the colours of the spectrum, just here ends the red and just here begins the yellow, since there is a more or less indeterminate area of orange, yet we have no hesitancy in saying that this part is red and that that part is yellow. In like manner here we shall not be able to say that the first division of our subject stops, and the second division starts, at just this or that *sharp line*, but we shall be able to say that certain things properly belong to an initial, other things to an intermediate, and still others to a final stage.

It is a psychological fact that the human mind is much more apt correctly to perceive the *details* of a subject if it has first perceived its broad masses. Let us state, therefore, in a few sentences those broad generalities which are of paramount importance to this system. He who says truthfully; "I don't know where I'm going, but I'm on the way," is not so happily circumstanced as he who can say; "I know just where I'm going if I haven't started yet."

The fundamental purpose of the Gillette system is the amelioration of human suffering through the changing of social conditions. Neglecting everything but the broadest generalities, the system aims to emancipate labourers and to transfigure labour, by securing to the worker, not only a just return for his work, but such an opportunity to choose his occupation, and such accessories, environment,



## GILLETTE'S INDUSTRIAL SOLUTION

and social stimulus with which and in which to perform it, as shall transform work into play. To effect this result, without especially singling out for hardship and injustice those who merely have advantaged themselves by a social system in which we all are *particeps criminis* is no easy task, yet it is just this task that the Gillette system expects to accomplish. Its ethical standpoint, in this regard, may briefly be stated as follows: We live at present under a terrible régime—a régime inflicting untold misery upon countless millions. We are all accessories to this state of affairs. Some thousands have thriven under this system and waxed successful, other thousands have been degraded and have failed miserably. Relatively few of those who have succeeded have done so because of any laudable characteristics inuring to their credit. By no means all those who have failed have done so because of insuperable obstacles. If much of the success is unworthy, some, at least, of the failure is unnecessary. It now becomes advisable radically to change this whole system, and, in so doing, the Gillette system does not believe it right to treat the successful as though they were the sole malefactors, and to assess against them the burdens, if any, incident to the change.

If Smith has become rich, under the present régime, and Brown poor, it does not of necessity follow that Brown's poverty results from his repudiation of our present nefarious system. Let no one suppose that we are imagining Smith to have waxed wealthy through frenzied financiering, or from that branch of highwaymanry known as Stock-jobbing. Our Smith typifies the "eminently respectable" landlord, the taker of interest, and the merchant who thrives upon what he is pleased to call the "profits" of his business. He stands for all those who have made a fetich of competition, until, in many cases, they have so narcotised their intelligence as to make themselves believe that certain kinds of *competition* are the same as *coöperation*, which is exactly like saying that certain kinds of black are perfectly white, or that certain kinds of light are absolutely dark. We are quite well aware that many a typical Wall-Streeter is a predatory social tiger who may be considered legitimate prey for any worker for better conditions. We are not losing any sleep over the fate of such as these. Such concern as we have for the successful is for those whose game—*our game as well as their game*—though a pitiable pastime, has yet been *fairly* played. We contend that, when the rules of this game are radically changed, *they* shall not be singled out as the *only* offenders.

When the police raid a gambling den do they arrest only the winners? By no means. What majesty the law has is visited upon all who are concerned in the illicit transaction. So, we contend, should it be in this case in which we are all offenders. Let the burden of reform be reduced to a minimum, and then let that minimum be apportioned among all the participators in the old régime. This is the "most right" course to pursue, according to the Gillette system.

In furtherance of these views, it is proposed to buy the wealth of the world *through* individuals, to create a fund to purchase this

## GILLETTE'S INDUSTRIAL SOLUTION

from individuals, and to give back to labour its just return. This, without detail, is part of the result sought, and we now may consider the initial stages looking toward such a consummation.

In the following outline we expressly wish to state that it is impossible for human intelligence to foresee every minute detail. Wherefore, it becomes advisable, and in some cases even necessary, to pursue a tentative policy with regard to less essential matters. With respect to those things of vital importance, however, as for example, the *perfect democracy* of the new régime, it is necessary to be at least qualitatively specific. No risk whatever must be run of private individuals getting control of the machinery of the new system to run it for their own selfish ends. Such contingencies, however remote, must absolutely be safeguarded by the irrevocable adoption, for all time, of principles which cannot fail to guarantee perfect democracy. *The Initiative, the Referendum and the Power of Recall will be welded, for all time, into the very basic structure of the whole régime.* With these prefatory remarks we may proceed to a consideration of the first department of the system.

Following the publication of this work, it is intended to issue a business prospectus outlining the investment and other business features of the Gillette plan. Then will come the organisation of a corporation to be known as "*The World Corporation Investment Company.*" This corporation will be organised in a State of the United States which does not impose a prohibitive capitalisation tax, or it may be incorporated, if deemed more expedient, upon foreign territory. The initial capitalisation will be \$100,000,000 divided into 100,000,000 shares of a par value of one dollar per share. The corporation will be managed by a directorate, originally composed of twenty-five members, to which will be added one additional member for each 100,000 shareholders who enter the organisation. The immediate purposes of the organisation will be the accumulation, *by outright purchase* of thoroughly secure, dividend-paying securities, estimated upon a basis of actual value by a Finance Board of eleven members, six to be elected by the stockholders and five to be chosen by the directors. The method of electing the Finance Board, and all other officials connected with the Company, both as regards elections occurring among stockholders and those occurring among directors, or any other board, to be, as far as the nature of circumstances permit, by what is known as the Hare-Spence system of voting, and all ballots to be secret. It is the intention that all securities purchased under the Gillette system shall be permanently held, none of them ever being released, unless, in some special instance, some unforeseen circumstance may render it expedient to part with some one or more securities. To meet such a contingency, the by-laws will provide that no securities purchased under the system shall be parted with, except upon a vote of at least seventy-five per cent. of all the directors, ratified and approved by at least seventy-five per cent. of the Finance Board. The charter and the by-laws of the corporation will be arranged to permit the increase, from time to time, of the corporation's capital stock, and the by-laws will contain an article under which 5 per cent. of the stock-



## GILLETTE'S INDUSTRIAL SOLUTION

holders *in number* may, at any time upon petition, initiate a new election with regard to any one or more officers of the Company, whether president, directors, members of the Finance Board, or what not, the result of this election to be final and binding until the next election pertaining to the same office or offices; and the by-laws will also contain another article stating that this initiatory provision shall not be repealed or altered without the properly constituted vote of at least ninety-five per cent. *in number* of all the stockholders at that time owning corporation shares.

The officers of the corporation, the directors, the Finance Board, or any one of them, may recommend the purchase of securities by the corporation, but no such recommendation shall be acted upon until authorised by at least a majority of the Finance Board after thorough investigation upon the part of said board. Should a majority of the directors protest against the purchase of such securities recommended by a majority of the Finance Board, then such purchase shall not be made, except upon the recommendation of at least eight-elevenths of the Finance Board. The original Finance Board, composed of eleven members, shall have one member added for each 100,000 stockholders who join the corporation. The articles of incorporation and the by-laws shall permit the Company, at the discretion of its directorate, to repurchase the stock of the Company at its par value of one dollar per share, provided such purchase be also agreeable to the stockholder, and these articles and by-laws shall also provide that any stock certificates may, at the option of the Company, or at the option of a Holdings Company to be hereinafter described, irrespective of the desire of the shareholder, be repurchased at any time after five years from the date of their issue, the Investment Company or the Holdings Company paying one dollar per share for all such certificates they, or either of them may purchase. The function of the Holdings Company, above mentioned, is to create a sinking fund for the needs of the Investment Company. This Holdings Company will be organised at the same time the Investment Company is organised, and its purpose will be the accumulation, by outright purchase, of the stocks of other corporations. A controlling interest in the Holdings Company will be purchased by the treasury of the Investment Company and, sooner or later, the entire stock of the Holdings Company will become the property of the treasury of the Investment Company. This Holdings Company will increase its capitalisation from time to time as circumstances may require. As has been stated, each share of stock sold by the Investment Company will be sold under condition that it may be repurchased upon demand by the Holdings Company at any time after five years from its date of issue, and suitable provisions will be made whereby new certificates, in lieu of these expired ones, may be issued by the Investment Company to the Holdings Company upon deposit by the Holdings Company of one dollar per share for each said certificate, without the surrender of the original certificate, or any action whatever upon the part of the holder thereof, should he neglect or decline to act after due notice directed to his last known address. The certificates of the Invest-



## GILLETTE'S INDUSTRIAL SOLUTION

ment Company will state upon their face these provisions. The one dollar per share deposited by the Holdings Company, upon the issue of new certificates in lieu of unsurrendered old ones, shall be held for payment to the owner of the original certificates upon their surrender, provided such surrender occurs within a reasonable time, said time being stated upon the certificate itself.

When the Investment Company shall have made profits in excess of its dividends, it will use these profits for the purchase of shares in the Holdings Company, and the Holdings Company will utilise the money so received for the purchase of stock either in the Investment Company, or in that of any other thoroughly assured, dividend-paying corporation vouched for by its own Finance Board. The charter of the Investment Company will permit it to repurchase its own stock, or that of other corporations, since this latter is the very point for which it is organised. The original money paid in by the purchase of Investment Company's stock will naturally, in large part, be applied to this end, but the returns, over and above expenses and dividends accruing from the earnings of the companies invested in will be used for the purpose of building up a sort of sinking fund, the ultimate object of which shall be the repurchase of the last outstanding share of the Investment Company's stock.

In order that the Investment Company's profits may compound as rapidly as possible, it is desirable that the dividends payable against the repurchased stock shall be available for the sinking fund. For this reason the Investment Company naturally will employ its surplus in the purchase of the shares of the Holdings Company, and the Holdings Company will utilise the money so received in the purchase of the stock of the Investment Company, or that of such other companies as its Finance Board may advise. The earnings of the stock so purchased, which is to say, the dividends paid against the shares into the treasury of the Holdings Company will, with the exception of expenses, constitute a fund for the further purchase of stock, until such time as the Investment Company and the Holdings Company shall have secured all of the available stock in desirable corporations, and until the Holdings Company shall hold within its treasury all of the stock issued by the Investment Company. At such time there should be no obligations outstanding against the Investment Company, and the only obligation outstanding against the Holdings Company would be that of its capital stock held in its entirety,—or so far as issued,—by the treasury of the Investment Company. The consummation of this end would carry us considerably beyond the first department of our subject, but it has seemed best to run somewhat ahead of our topic, because it is so much easier to explain it here, where it forms such close sequence with what has gone before, than to await a time when the connexion will be much less intimate.

The directorate and Finance Board of the Holdings Company will be formed after the same manner, and composed of the same number of individuals — increased in the same way — as in the case of the Investment Company. Except in the case of the repurchase



## GILLETTE'S INDUSTRIAL SOLUTION

of the stock of the Investment Company, each company will aim to spread its investments over a large area and among a large number of high class corporations. The result will be that the investor, whether large or small, will be safeguarded in a way never before possible. The man who expends a *single dollar* will have this dollar guaranteed by the values represented by a hundred, a thousand, or perhaps even five thousand first-class corporations; and he will be making his investment under the advisement of the ablest Finance Board that can be chosen. By the doctrine of averages this offers any investor, large or small, the highest possible guarantee, for the failure of any two, three or five corporations to pay in any year a dividend as large as anticipated, will be more than offset by other corporations paying dividends larger than those expected.

As the World Corporation Investment Company extends its operations the profits naturally will be larger and larger. The wealth of the world is increasing, and were all mankind a *perfectly interacting solidarity* business losses would be *unknown*. A great fire, a tidal wave, a hurricane or an earthquake occasionally might imperceptibly decrease the world's wealth, but no business considerations could enter in. Moreover, these fortuitous calamities in one locality would usually be counterbalanced by unexpected good fortune elsewhere. A famine in India would be offset by the unexpectedly bountiful crops of the western United States and Manitoba. The impoverishment of agricultural Russia, even were it possible to occur under an equitable social régime, would find its virtual cancellation in the rapidly rising tide of Japanese wealth.

What are commonly called "business losses" are mere *displacements of wealth*. The wealth is not *destroyed*, it merely disappears from one locality to reappear in another. It is like a misplaced book in our library, the shelf upon which it *belongs* is poorer for its loss; the shelf upon which it is *out of place* is richer by its addition. Imagine, now, all of the good things of the world to be books, and then think of them all as being gotten together in a single library from which they *cannot be lost*, for the reason that this library is co-extensive with the world, and then imagine the entire human race to have free access to this library upon a basis of absolute justice, and you will form a very clear concept of what the Gillette system aims to accomplish.

It is a matter of considerable importance that the World Corporation Investment Company so conducts its affairs as to eliminate all possibility of speculation in its stock. Looking toward this end, its charter will provide for increase in its capitalisation, as occasion may require, and its by-laws will render this increase compulsive, under certain conditions, and up to a given point. These conditions may be stated as follows. Whenever seventy-five per cent. of the stock of the Investment Company shall have been issued and paid for, and there shall still be a demand for shares on the part of the public, the capitalisation shall be increased until a time is reached when the Investment Company has acquired control of all the available stock in corporations regarded as proper objects of investment by its Finance Board. The effect of this provision, and the further provision that, up

## GILLETTE'S INDUSTRIAL SOLUTION

to this aforesaid time, the Company shall sell its shares to all applicants at the price of one dollar per share, will be that speculation in these shares will be rendered impossible. No one wishing to buy shares ever will pay more than one dollar a piece for them, for the reason that he can always get them at that price from the Investment Company. No one having shares ever will be willing to sell them for less than one dollar a share, because they will be worth that amount, and because that amount ordinarily will be promptly obtainable by selling the shares to the Holdings Company. A word of explanation will make this clearer. In order not only to offer the safest possible investment to the public, but in order to make the investment available for those whose narrow means or peculiar circumstances render it unsafe or inexpedient for them to tie up their money for an indefinite period, it is the purpose of the Gillette system, through the Holdings Company, to purchase, as far as practicable, such stock of the Investment Company as may be offered to it. The result of this will be that the mechanic, who has twenty-five dollars which he *may* need in a week, but which he does not *expect* to need for a year, will feel himself perfectly safe in purchasing twenty-five shares in the Investment Company, thereby availing himself of an opportunity to share in its profits, confident that if any untoward circumstance renders it necessary that he get this cash at once, he can do so by offering his stock to the Holdings Company.

The new system will not obligate itself to purchase any stated amount of the Investment Company's stock, for the reason that if it did so, such an action might serve as a temptation for designing men to seek to acquire power over it. Should any individual stockholder, or any combination of stockholders, seek to embarrass the corporation by starting what would be a run were the Investment Company a banking institution, their scheme would fail, because the Holdings Company could, at any time at its option, refuse to purchase his or their certificates. Under ordinary circumstances it manifestly would be for the corporation's interest that the investment shares should be purchased by the Holdings Company as fast as presented, for the triple reason that the earnings of these shares would then be available for the Holdings Company; because such ready convertibility would make the shares more desirable to the small investor; and because this method would prevent speculation, as aforesaid. This régime practically would mean that the investor would *get his dividends without losing control of his money.*

The earnings of the Investment Company, over and above expenses, may at the discretion of its board of directors be from time to time applied to the payment of dividends. All of the aforesaid net earnings, over and above expenses, shall be applied to the payment of dividends upon all stock to which dividends properly accrue, until such time as these dividends shall amount to 4 per cent. per annum on this stock. Net earnings in excess of said four per cent. may, in the discretion of the directors, also be applied, in whole or part, to the payment of dividends, with the proviso that no dividends in excess of six per cent. per annum shall be paid.



## GILLETTE'S INDUSTRIAL SOLUTION

Dividends may be declared annually, the books of the Company being closed, at such times, for such reasonable periods as the directors may deem expedient, and the dividends shall be paid to the stockholder of record at the time of the closing of the books. No dividends, however, shall accrue to any stock which has not been issued at least six months. Such stock as has been issued for six or more months, but for less than twelve months, shall receive but one-half the amount of the *annual* dividend.

It will be seen that the net earnings in excess of six per cent. will probably, and net earnings in excess of four per cent. may, be applied by the Investment Company to the purchase of the stock of the Holdings Company, and the Holdings Company may use the money so received in the purchase of outstanding stock of the Investment Company, or that of other corporations recommended by its Finance Board.

To the average reader the suggestion of a plan by which the workers of the world shall purchase the wealth of the world which they themselves have created, seems like a Utopian dream. The layman is wont to think that the world's store of wealth, as it exists to-day, is the accumulated product of ages, whereas, the fact is that the human race lives an almost hand-to-mouth existence. Truly has it been said; "Our grandfathers left us nothing." Were production totally stopped to-day, the howl of the Wolf of Want would be heard immediately in *some* quarters, and in an incredibly short time his dreadful voice would reëcho throughout the length and breadth of the land. In order to make this clear to the reader, and for the especial benefit of those who have not perused the preceding volume of this work, we copy therefrom Charts C and B with the explanations which accompany them.

### CHART C.

"*Fig. 1* indicates the total estimated wealth of the United States in 1900. The black portion, or 60% of the area, indicates the \$56,580,000,000 worth of real estate not properly classed as wealth, and this figure is exclusive of mines, street franchises, railroad rights of way, etc. The light portion, or 40%, indicates the \$37,720,000,000 of so-called 'real wealth' and both areas the wealth in 1900, \$94,300,000,000.

*Fig. 2* indicates in its entirety the \$37,720,000,000 of real wealth in 1900. The black portion indicates the \$19,020,000,000 of wealth, annually produced, or 50.4% of the whole wealth exclusive of real estate, franchises, etc., as aforesaid.

*Fig. 3* indicates the total population in 1900, to wit, 76,303,387.

*Fig. 4* indicates the 38.38% of population, or 29,285,922 persons, engaged in gainful occupation.

*Fig. 5* indicates the 61.62%, or 47,017,465, not engaged in gainful occupation.

*Fig. 6* indicates the 59.75% of the population representing the 45,594,735 persons of both sexes over 18 years of age who ought to work and who would do so under a proper system. The aged

CHART C

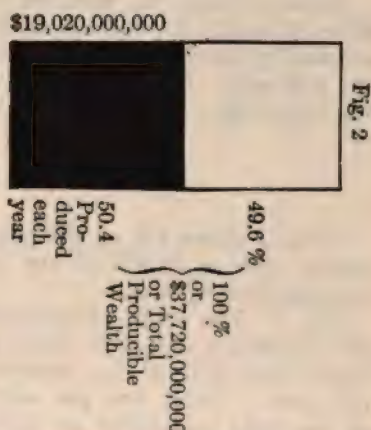
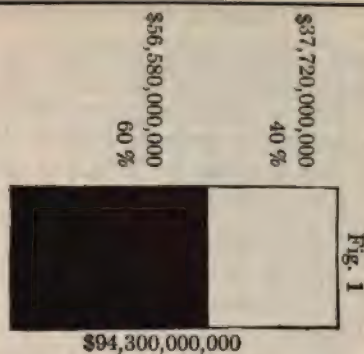
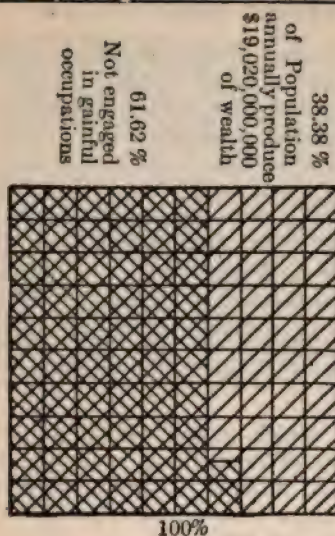
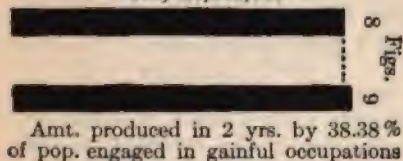


Fig. 7

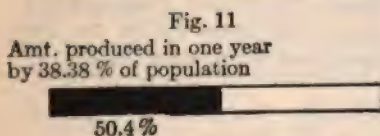


Total real Wealth, exclusive real estate, but inclusive mines, franchises, etc.  
\$37,720,000,000

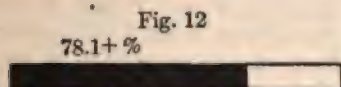


Amt. produced in 2 yrs. by 38.38 % of pop. engaged in gainful occupations

Fig. 10  
Total real wealth \$37,720,000,000



Amt. produced in one year by 38.38 % of population

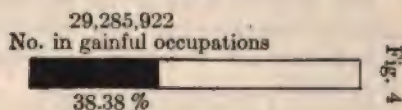


Amt. which would be produced in 1 year if all worked who should, i.e. 59.75 % of pop., or 45,594,735

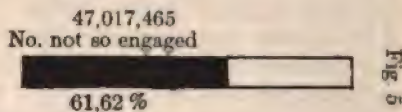
Fig. 13

Amt. easily producible in 1 yr. by 59.75 % of pop. with increased facilities and eliminating waste. \$1,298.92 per capita or annual total of \$59,223,913,186

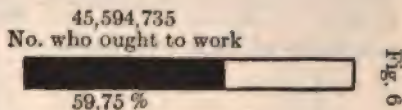
Fig. 3  
Total Population 76,303,387  
100 %



No. in gainful occupations



No. not so engaged



No. who ought to work



## GILLETTE'S INDUSTRIAL SOLUTION

and infirm who might have to be deducted from this number are fewer than those who could justly be added *below* the age of 18.

*Fig. 7* indicates graphically the number engaged in gainful occupations in contrast with the number not so engaged.

*Fig. 8* shows the total real wealth as aforesaid.

*Fig. 9* shows the amount of wealth which would be produced in two years by the number of workers who were employed in gainful occupations in 1900, to wit, 38.38% of the then population.

*Fig. 10* shows total real wealth same as Figure 8.

*Fig. 11* shows the amount of this real wealth, 50.4%, or \$19,020,000,000, produced in 1900 by 38.38% of the population.

*Fig. 12* shows that 78.1% of this \$37,720,000,000 real wealth would be produced annually if the 59.75% of the population worked who should work.

*Fig. 13* shows the \$59,223,913,186 which might easily be produced annually by 59.75% of the population working with the increased facilities of a proper system and eliminating waste of present methods. This would be a per capita creation of \$1,298.92 of wealth per year, or twice the 1900 average of \$649.46."

### CHART B.

"*Fig. 1* shows 1% of the population indicated by the small black square, owning 54.8% of the country's wealth as indicated by the cross-hatched squares.

*Fig. 2* The single cross-hatched squares indicate that 38.1% of the population are *poor*, while the double cross-hatched squares indicate that 50% of the population fall under the category of the *very poor*. These two per cents taken together amount to 88.1% of the total population as indicated by all the squares of *Fig. 2* not left open.

*Fig. 3* represents the 13% of the total wealth owned by this 88.1% of the population.

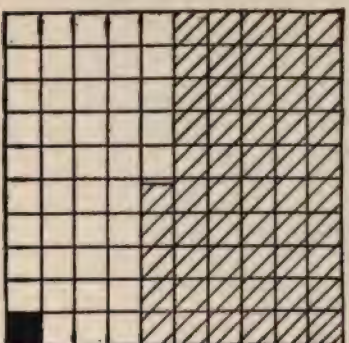
*Fig. 4* is the story of the middle classes. The lower cross-hatched squares indicate that the middle classes comprise 10.9% of the population and the upper squares show that they own 32.2% of the wealth.

*Figs. 5 and 6* illustrate the same facts after the method employed by John Graham Brooks in his 'The Social Unrest.'"

It will be seen from the foregoing charts how easy it will be for the workers of the world to purchase the wealth thereof. If under proper conditions, less than sixty per cent. of the population of this country can produce all the real wealth of the country in less than nine months, it should not be very difficult for the toilers to come into possession of their own under the plan outlined by Mr. Gillette.

# CHART B

Fig. 1. Story of the Rich

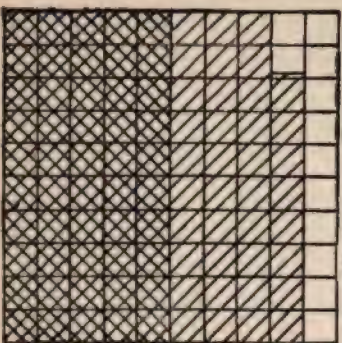


54.8 % of Wealth  
owned by  
1 % of Population

1 % Rich

Fig. 2

Story of the Poor and Very Poor  
Representing 88.1 % of Population



38.1 % Poor

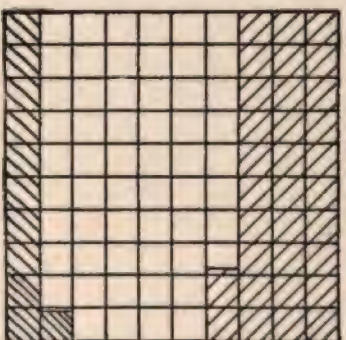
50 % Very Poor

Fig. 3

13 % of Wealth  
owned by 88.1 %  
of Population



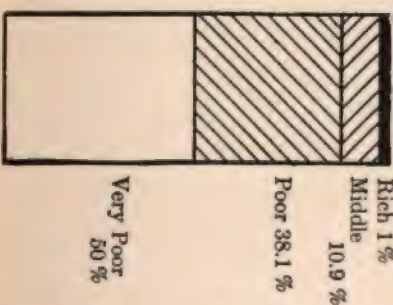
Fig. 4. Story of the Middle Class



32.2 % of Wealth owned  
by Middle Class  
Representing 10.9 %  
of Population

10.9 % Middle Class

Fig. 5. Population



Rich 1 %

Middle 10.9 %

Poor 38.1 %

Very Poor 50 %

Fig. 6. Wealth



Rich 54.8 %

Middle 32.2 %

Poor 13 %





## CHAPTER XXXVI



Oh, I've gone and built a barn,  
    Uncle Sam, Uncle Sam;  
Sure, I wouldn't care a darn,  
    Uncle Sam, Uncle Sam,  
What it cost me to erect her,  
If your measly old collector  
Didn't come here and select her  
As the crime of all the centuries, and saddle on the tax.

Now, my heart is sick and sore,  
    Uncle Sam, Uncle Sam;  
I won't do so any more,  
    Uncle Sam, Uncle Sam;  
If you'll just call off the dance —  
Give me but another chance —  
Oh, I'll never even glance  
At the enterprising gentlemen who can not see the facts.

All my enterprise you've waxed,  
    Uncle Sam, Uncle Sam;  
And my very head you've taxed,  
    Uncle Sam, Uncle Sam;  
Every time I try to work  
You encourage me to shirk,  
For your tax collectors lurk  
In the whistle of the factory and the working of the farm.

All the People ever owned,  
    Uncle Sam, Uncle Sam,  
You have kindly loaned,  
    Uncle Sam, Uncle Sam,  
To the class of grab-it-all,  
That the children's rights forestalls,  
And the unborn Race enthralls,  
While the burden bearer falls;  
Now, with monumental gall  
You have got the face to call  
On the People for the cash to work the charm.

From the cradle to the grave —  
    Uncle Sam, Uncle Sam —  
I'm the tax collector's slave —  
    Uncle Sam, Uncle Sam —  
If you'd but collect its worth  
When you yield the People's earth,  
Giant trusts could have no birth,  
And the people know no dearth,  
And you wouldn't have to tax us when we work.  
                                    *Virginia M. Butterfield.*

## CHAPTER XXXVI



BEFORE proceeding further with the business details of the Gillette system, it seems fitting briefly to consider its psychological and sociological trend. The World Corporation Investment Company will have for its shareholders a constantly growing clientele of men and women comprising every nationality on the face of the earth. There will be no racial, colour, or religious lines whatsoever. Any man, woman, or child who has a dollar and wishes to exchange it for a share of the stock of this corporation can do so at any time. The shareholders in a corporation bear the same psychological relation to each other as do the members of a partnership. Each stockholder is of necessity interested in the welfare of the corporation, and this common interest will tend ever more and more to stimulate those fraternal instincts which are latent in the least social members of the human race. The interest of a great number of people in one and the same thing is an influence for good of incalculable value, since, out of this, unfolds the flower of altruism. A word will make our thought clear. If a dozen men are all interested in the success of a given enterprise, then each man is interested in the *success of each other man*, so far as it pertains to that *particular enterprise*. Let now that enterprise consolidate within itself the overwhelming mass of means to human gratification, and we arrive at that consummation devoutly to be wished, wherein every man will be interested in the *fullest success of every other man*.

We already have referred, in another chapter, to the singular transformation which would take place were the members of a corporation or co-partnership to pursue strictly individual ends, at the expense of the larger aggregate of which they are a part. Let us now reverse the process. Under our present competitive régime the human race is living in constant commercial strife; individual against individual, firm against firm, corporation against corporation and each, no matter what the size of the aggregate it represents, against all the others. The effect of this is thoroughly unsocial and demoralising, as we already have pointed out. The tendency of competition is to *individualise* desires and their satisfactions. The tendency of the higher socialism is to *generalise* desires and their satisfactions. The two tendencies are *diametrically opposed*. That competition is not Nature's ultimate method, but has been used merely as a makeshift — a sort of rudimentary process for the evolution of a rudimentary people, is abundantly proved by observation. That this rudimentary process has outlived its evolutionary usefulness, even as war has outlived its archaic socialising tendencies, until to-day it is an achronism and a crime,— would be apparent



## GILLETTE'S INDUSTRIAL SOLUTION

to all who have eyes to see, were they free to use their eyes and willing to observe and understand. It must be apparent to every one that the human race, which once had only individualistic joys and pains, has now, throughout the entire earth, a broader psychic horizon. Be the race high or low; black, white or red; Christian or pagan; civilised or uncivilised; its members are affected by the fate of their families, their tribes, and their nations, in a ratio constantly weakening as the degree of generality widens. The griefs of the family touch all its members. Its joys and its prosperity are matters of satisfaction and of pride to all its component parts. These feelings, moreover, are very strong in practically all members of the race. It is here that we have the budding social sense. The success and the failure of the tribe, the state, or the nation, likewise produces an effect upon its component parts, but the wide *generality of a nation* is so far removed from the *petty individuality of a man*, having only a rudimentary social sense, that these effects ordinarily are much weaker than those produced by the family, an aggregate so near his own size that his weak psychic wings are able to bridge the gap separating him from it. To carry the thought still further, we find the intelligent vanguard of civilisation noticeably touched by the successes and the failures of the race as a whole, and there is a promise that this advanced social sense, now washing the confines of the human race, will ultimately overflow these limits and sweep outwardly, in ever widening circles, to the outermost corners of space. This mergence of the social sense in the cosmic sense is but a natural unfolding of the human soul. There are thousands upon thousands of scientists as well as of other lovers of their kind who, with no selfish thought for themselves or their families would, if a cure for tuberculosis were found, go to bed to-morrow night with a sense that a great good had happened to them. This feeling would be one of sympathy—the sympathy which feels *with*, not merely *for*—and it would be nothing more nor less than the evidence of a highly evolved social sense, a *social sense moved by the welfare of an aggregate as large as the whole human race*.

He who runs may see that the joint interest of millions of people in a *single enterprise* will result in an *active interest* of these individuals in *each other*. There will grow up a sort of freemasonry among them. If the Corporation began its dealings with transportation securities, there would grow up a community of interests among its shareholders upon transportation matters. If, a little later, the Company pursued the same course with regard to food-supplies, this mutuality of interest would widen and deepen and, as the Investment Corporation spread its influence throughout department after department, there would occur, *pari passu* with this commercial spread, a *psychic* spreading of mutual interest among its shareholders.

We see all about us the beginnings of such an evolution—an evolution which, to be sure, cannot get far under a competitive system, but which, nevertheless, gets far enough to enable us to determine its direction,—to plot its course,—and to tell whither it

## GILLETTE'S INDUSTRIAL SOLUTION

would lead were it permitted free scope. An illustration may serve to make this clearer. When the bicycle became a popular means of transportation, there was found to be such a community of interest among riders that it was possible to form an organisation several millions strong. These persons were all interested in bicycle riding, and between them there existed a sort of fellowship which tended to bind them into a compact mass upon certain matters. Some of the members of this organisation were Republicans, some Democrats; some Christians, others not; some black and some white. Had it been possible to unite them *politically*, they could have controlled every election in the country from that of heads of municipalities to that of the head of the nation. Their mutual interest, however, was confined to a very narrow field. Their chief point of agreement was their almost unanimous desire for good roads, and any candidate who had pledged himself to secure this desideratum would probably have defeated any rival who repudiated or ignored this issue. We see, therefore, that men are drawn together by *community of interest*, over an *area of their personalities* exactly equal to the *generality* of the interest. We have only, therefore, to imagine conditions under which the community of interest will touch the members of society at *practically every point*, in order to conceive of the establishment of the *perfect brotherhood of man*.

We pointed out in the first volume of this work that the underlying cause of Russian brutality, like that of all brutality for that matter, was a real or fancied difference between the victim and the oppressor. The retort of the Czar's uncle, the Grand Duke Sergius, when some one told him that Russia existed for the sake of its people was; "You might as well say that a dog exists for the sake of its fleas." The Grand Duke held himself superior to his subjects in just about this ratio.

Now, it is a psychological truth that, not only do *differences* among men cause a psychical separation between them, but the *perception* of these differences drives them *still farther apart*. Conversely, a *realisation of similarities* brings men closer together. So true is this tendency, upon the mental plane, that it forms the very basis of scientific classification. We group men, animals and plants into divisions of varying generality by their likenesses. Our very means of remembering objects, and of speaking of them, are likewise classificatory in their nature. The new perception is filed away in our intellectual pigeon-holes among others of like kind. If we seek to refer to it we do so by mentioning it as a member of a familiar class. If it were possible to perceive an object which was in nowise similar to other objects which had impressed themselves upon our consciousnesses, we should be utterly powerless to convey any idea of the thing we had seen. That petty, tawdry sentiment which is so often called *patriotism*, has its rise in the unconscious assumption that the *differences between nations* are more radical than all the *similarities* existing between *all members of the human race*.

How does it thus happen that classification according to likeness is one of Nature's most fundamental laws? A moment's thought



## GILLETTE'S INDUSTRIAL SOLUTION

will show us that it could not well be otherwise. Starting with the life-principle we find that each thing tends to reproduce after its own kind. This, in itself, is the strongest kind of influence making toward natural classification. Add to this the fact that all environments are not alike, that some are best fitted for one form of life, and others for another, and we have still another reason. The waters of the earth, and the dry places, have been a very efficient means of keeping fish and land animals measurably apart. Consider, now, a further reason. Each individual within the zone of another individual, is a part of *his environment* and, where individuals differ radically, the best fitted would crowd the others out or annihilate them. This power of likeness has always been, and is now, a tremendous associative force. The phrase "*I like you,*" is an eloquent tribute of language to this same great fact that *similarities draw men together and dissimilarities force them apart.*

Under the Gillette system men will ever be drawn nearer and nearer together, as the interests of the corporation broaden toward the inclusion of nearly all of their own life-interests,—while they draw their rewards *not from each other direct but from a common storehouse.* All will have a vital interest in making this storehouse replete with the good things of life. An *individual* good will then follow as a corollary of, and natural deduction from, a *social* good. Since, therefore, the attainment of the corporate or social good will be precedent to that of the individual good, the thought of humanity will be turned in that direction. This change will exactly reverse the present competitive régime, for the individual will need have no personal fear in regard to what comes to *himself*, provided he, with the others, sees to it that enough comes to *society as a whole.*

These considerations have carried us somewhat ahead of our story, but we could not refrain from pointing out the morally regenerating influence of the proposed system. The slough of selfishness and immorality, in which the human race as a whole now wallows, *is the inevitable result of the psychical influence of the competitive method.* Any well equipped philosopher could have predicted it *all from the start*, and he also could have predicted that it would work out its own destruction, giving rise to a higher dispensation. This higher dispensation is inevitable, and it is our belief that the system proposed by Mr. Gillette has the power to hasten its advent as nothing else can.

## **CHAPTER XXXVII**



The main factor in the production of wealth among civilised men is the social organism, the machinery of associated labour and exchange by which hundreds of millions of individuals provide the demand for one another's product and mutually complement one another's labours, thereby making the productive and distributive systems of a nation and of the world one great machine. . . . The element in the total industrial product which is due to the social organism is represented by the difference between the value of what one man produces as a worker in connection with the social organisation and what he could produce in a condition of isolation. Working in concert with his fellows by aid of the social organism, he and they produce enough to support all in the highest luxury and refinement. Tolling in isolation, human experience has proved that he would be fortunate if he could at the utmost produce enough to keep himself alive. . . . The social organism, with all that it is and all it makes possible, is the indivisible inheritance of all in common. To whom, then, properly belongs that two hundredfold enhancement of the value of everyone's labour which is owing to the social organism?

*Edward Bellamy — Equality. Permission of D. Appleton & Co.*

Conditions of the environment modify a creature, as in hide and hair; conditions of inter-animal competition modify him, as in horns and stings; conditions of reproduction modify him, developing an elaborate physical mechanism and a more elaborate scheme of decoration; but the most distinctive modification of a creature is that produced by its nutritive conditions. "Order Mammalia," with its towering superiority, is founded merely on a new way of feeding the baby. The food supply of the world is subject to fluctuating influences — climatic, geographic, and other; and as we watch the widening panorama of animal forms changing and growing up the ages, we see the whole procession to be moving always in one line — in pursuit of its dinner. We think of our dinners as a pleasing series of events, but we do not appreciate their awful importance.

*Charlotte Perkins Gilman — Human Work.*

. . . a well-behaved mind grows only in a well-treated body; it is true that far-seeing hygiene can prevent more crime than any law. But it is not only a question of the favourite work of our hygienists, the infectious and germ diseases, together with the sanitary conditions of factories and tenements. Hygiene has to take no less care of the overworked or wrongly treated senses and nerve systems, from the school-room to the stock-exchange; there is no gain if we avoid typhoid epidemics, but fall into epidemics of insanity. The whole rhythm of life breaks down the instruments of nervous resistance, and the most immediate symptom is necessarily the growth of crime. It is not the impulse itself, but the inability to resist the impulse, that is the real criminal feature. The banker who speculates with the funds of his bank is not a criminal because such an idea emerges in his consciousness, but because his idea is not inhibited by the counter-ideas; and yet, the whole community has pushed to break down the barriers which his mind could have put into the motor path of the ruinous impulse.

*Hugo Munsterberg — The Prevention of Crime.*

## CHAPTER XXXVII



IN strict economic phrase production includes distribution, a commodity not being fully produced until it has reached the hands of the consumer. In those myriad commodities which are carried through successive stages by various workers, the finished product of one group of men is, in effect, the raw material of the next higher group in the process of maturation. Manifestly, therefore, we cannot speak, with economic propriety, of a thing as *produced*, until it is *fully matured*, any more than we could say that the results of each separate operation of a machine for making, say, tacks, was a *finished product*. The only point where we are able to place our finger and say; "production really has ceased," is that point where consumption is ready to begin. Now, since consumption cannot begin until the consumer has the goods, and since everything prior to that point is properly ascribable to production, it is necessary, if one is to be exact, to consider transportation as a part of production. This is commonly included in the term distribution. Production, therefore, in the economic sense, includes distribution, but the use of the word in this sense is not without some difficulty. First, we are left with no term to represent that *part* of production which is *not distributive* and, second the term *production* calls up, in the lay mind, thoughts and associations in which distribution plays no part whatsoever. In view of these considerations, since we are addressing ourselves quite as much to lay readers as to any one else, we frequently shall find it convenient to refer to production *and* distribution, and we make this explanation in order that the reader may know that, when we do so, we are speaking in the *more colloquial sense*.

In this sense production and distribution may be regarded as a mechanism—a social machine if you please, capable of just such improvements as might be made in any other machine. Seeking to improve this mechanism, we have to look for its points of friction; its unnecessary multiplicity of parts; the maladjustment of these parts; any wastefulness in the handling of its product; any point or points which, through excessive strain, are likely to break down; the evenness and smoothness of its running; and, lastly, that which is more important than all else not tributary to it, because upon it depends the very life of the mechanism—the *proper distribution of work among all its parts*.

*The strength of a chain is that of its weakest link.* The strength of a machine is that of its weakest part. *The strength of a social mechanism is that of its weakest spot*, even as the measure of the freedom of a country is that of its *least free man living compliant*



## GILLETTE'S INDUSTRIAL SOLUTION

*to its laws.* We must strive, therefore, to get a strictly mechanical concept of the social machine, if we are to understand the nature of the improvements in it which the Gillette system proposes to make. Starting with the postulate that in mechanics, as in art, — and for that matter pretty much everywhere in life, — whatever does not help hinders, we naturally should first direct our attention to the unnecessary gearing in our present wasteful, cumbrous, cruel and inefficient social machine. The sole product of this machine is, or *ought* to be, human happiness attained through three channels; production, distribution and consumption. It is not enough to produce that which will gratify human desire, neither is it enough to bring it into the presence of the consumer. Besides all this the consumer *must be enabled properly to consume it.* He must have the time; the freedom from cares and worries; the external environment; and the internal conditions, permitting him to reach a *high consumptive efficiency.*

The present age has *gone mad over production.* We have striven to improve this part of the social mechanism, as though this part were not only the whole machine, but its finished product, *happiness,* as well. We have pushed production to such an extent that we have left little time for the real end of production, namely, consumption. What shall it profit a people if they produce so much wheat that they starve to death for lack of means to get it, or time to eat it?

Production, even in its economic sense including distribution, is itself an *unfinished product,* — the mere *raw material of that which consumption will mature into happiness.* Were we to look to-day upon our statute books, or listen to our court proceedings, we would think that no one had any rights save those of producers. Is a food-product dangerous to human life? It has more than once been considered a good argument to show that the deleterious ingredient is necessary to its production. Are poisonous coal-tar products sold broadcast as harmless medicine? Do headache powders kill outright victim after victim? It is thought enough to show that their discontinuance would interfere with capitalistic production. Are cigarettes ruining the health and morals of our young manhood? The reply is; they represent a productive industry.

We are a race of producers; a generation of *social misers,* piling up the *meaningless gold of production,* for the sheer sake of the *pile itself,* and not for any legitimate good that we can get out of it. It is high time a halt were called and the rusted, worn and ramshackle part of the social mechanism representing consumption, were overhauled and renovated. If our present productive efficiency be figured at fifty per cent., our consumptive efficiency must fall far short of twenty per cent. Since, now, the end of life is happiness, and since happiness expresses itself in terms of consumptive efficiency, of what possible use is *any degree* of productive efficiency, which does not enhance the degree of *consumptive efficiency* and, by so doing, enlarge the measure of human happiness?

We have seen, in the foregoing chapters, how, through the World Corporation Investment Company, the Gillette system effects a junc-

## GILLETTE'S INDUSTRIAL SOLUTION

ture with existing conditions. This Corporation will be organised and conducted under laws as they now exist, and it is our present purpose to show, as clearly as may be, the gradual differentiation of the system from the present social environment. The Company, having increased its number of stockholders until what, at an earlier date were but a few hundred thousand, have now become many millions, its directorate, as well as that of the Holdings Company, will materially have increased in number, and will be expected to embrace representatives from every quarter of the globe; for the Corporation will as far as possible, in choosing additional members of the Directorates and the Finance Boards, apportion the new officials among the various nationalities, according to the stock held by the respective nations. As the Directorates increase so will the two Finance Boards and these Directorates and these Finance Boards will sit as a joint board constituting what will be known as the World Corporation Congress. At this time it is proposed to issue throughout the world, a daily publication giving in full all the transactions of the Corporation, together with its exact financial condition. In this way every stockholder, and every prospective investor, will know at all times the exact condition of the Corporation, its earning capacity, and all particulars connected with it. This daily publication will be devoted to the affairs of the organisation, serving to keep every member closely in touch not only with the central department, but with every other member. It will be most useful in advising members of proposed movements to be considered through the Referendum, thus making the Initiative easy and workable. Such a paper will be an open forum for the expression of any suggestions for the betterment of the system which any of its members may have to offer. The policy of the paper, like that of the entire system, will be studiously *democratic*.

If, under the advice of the Finance Board, the Corporation buys a given security at a given price, it will be the best possible notice to the world that that security is actually worth that figure. If, on the contrary, the Investment Company does not, after investigation by its Finance Board, purchase a given security at the figure quoted, the public will consider it the highest warranty for assuming that that security is not a safe investment at that figure. Under such conditions the casual reader will be prone to think that, as soon as a given security receives, through its purchase by the Corporation, the endorsement of its Finance Board composed of dozens of the best financiers in the world,—this security at once will be the cynosure of all investing eyes, with the result that the Investment Company will find the public an active competitor in its purchase.

This *seems* like a self-evident proposition, but it leaves entirely out of the question two very important considerations. A word will explain these. First; the Investment Company will be the peoples' company, and it will purchase only securities upon the basis of their actual worth most conservatively estimated. It cannot be piqued into bidding *more* than this, no matter who is competing in the purchase of a given security. It can afford to wait the time when *all* securities eagerly will seek exchange for its stock.



## GILLETTE'S INDUSTRIAL SOLUTION

Second; any purchaser who would enter into competition with the Investment Company in such a purchase, would know at the start that this Company would never overbid its estimate of that actual value, and that any outside investor would be extremely unlikely to take a risk for *himself* which the ablest financial organisation of the world had declined to accept for the Investment Company. It will be seen, therefore, that an investor's possible chance of making a profit, by entering into competition with the Investment Company, would be so exceedingly small, and the risk of loss so considerable, that the enterprise would not be undertaken without some unusual incentive. We have seen that the incentive, from a *financial* standpoint, would hardly be sufficient to induce an outside investor to engage in this competition, and we have now to note the most cogent fact in the whole proposition,—the fact that there would not only not be a sufficient pecuniary incentive to lead an outsider to undertake this competition, but there *would* be a very great financial inducement for him to *refrain* from doing this very thing.

The idea we mean to convey is this; the shares in the World Corporation Investment Company will be so much more valuable, and represent so much less risk, than those of any other corporation, that the investor naturally will turn to *these shares* as the source of his *greatest possible income*. The effect of this, of course, will be to deprive other securities of their speculative value, and to lead their possessors to be more than willing to sell them upon a basis of their actual worth, for it is not to be expected that the owners of the wealth of the world will be slower than the small investors to see that their property, put into World Corporation Investment Company certificates, will yield them more than it can be made to yield in any other form. For this reason there doubtless will come a phase in the affairs of the Investment Corporation when the securities of other corporations will be urged upon it.

All men strive to gratify their desires with the minimum amount of exertion, which already we have found to be the same as saying; all men strive to gratify the maximum number of their desires. This is, of course, as true of the rich man as of the poor man, and when the rich man learns that there is a social mechanism known as the *World Corporation Investment Company*, which is so near frictionless; has so little waste; consumes so little power; runs so smoothly; is so perfectly balanced in the strain of its parts; and withal, turns out a greater product of happiness than any other known mechanism, he will be just as anxious to send to the scrap-heap the present worn-out and cumbrous mechanism, as the New York Central railroad would be to exchange a broken down locomotive of the fifties for a 1907 leviathan. It will, of course, be necessary to convince him that such really is the case—we are not neglecting that point—but what we are saying here, is that he will not be slower to perceive facts than his poorer brother.

In order to avoid a misconception, we take the liberty here of mentioning parenthetically that which we shall treat at length in its proper place. It may be asked how it is possible for the holders of securities to get a larger total yield out of World Corporation

## GILLETTE'S INDUSTRIAL SOLUTION

than out of the securities themselves, without the aid of the corporation? The answer to this question is twofold. First; there are many so-called securities which, from the standpoint of the Gillette system, are not securities *at all* and never will be purchased. Those activities, for example, which minister to a competitive régime will, many of them, be entirely worthless under the new system when in full operation. What, for a single instance, would be the value of the present ponderous advertisement mechanism representing billions of dollars? So-called securities of this sort really prey like vampires upon the real securities and upon the public at large. The new system would eliminate them. Second; the elimination of the just-mentioned "vampire securities," and the proper organisation of industry; the eradication of waste, and the hundred and one other improvements incident to the new system, would yield tenfold the return of the world's present productivity. Then, too, there are numberless things which easily can be done by a *solidified society* which could never be accomplished by individuals working as such. Suppose a man had a machine to construct and he divided it into a hundred parts and gave each part to one of a hundred different workmen, no workman knowing the nature of the other parts, what the machine would be as a whole, or the product it was intended to turn out. What think you would be the nature of this resulting mechanism? Would there likely be any proper coördination of parts? By no means. Unless the parts were constructed from drawings made by a designer whose knowledge in this instance was infallible, the resulting machine would be a hopeless failure. Now the social machine is of such a nature that *no man's knowledge can be infallible*. Mistakes will arise and unforeseen events creep in if we plan too far ahead, though we do our utmost to avoid such results. Now, the present system, under which we live, is as a machine the special parts of which are constructed by individual workmen without knowledge of, or regard for, the other parts of the machine or the product it is to turn out. Thus is it that the system now in vogue is a comedy of errors; a phantasmagoria of maladjustments; a labyrinth of conflicting tendencies. Under the Gillette system all this will be changed. Every individual act performed will have distinctly in mind a definite social result and will be correlated with all other acts with that end in view. This will give rise to an efficiency never before reached in the history of the world. Running parallel with this productive efficiency, and interacting with it at every point, will be the ineffable joy that comes from a highly socialised intelligence. That marvellous comradeship which, in many a battle has led men eagerly to join in a forlorn hope, will, in this newer battle for *fullness of life*, surround all toil with roseate atmosphere of sympathy—a golden aura of glory.

As the new system will have no use whatsoever for much of the cumbrous mechanism in which great wealth is invested, it is to be expected that, during the second stage of which we are now treating, it will dawn upon those whose money is invested in these needless tributary activities, that, if they are to realise anything out of their possessions, they will have to find some way of exchanging them



## GILLETTE'S INDUSTRIAL SOLUTION

for securities of real value. This will lead them to seek to sell their possessions. As the Finance Board of the Investment Company will have nothing to do with them, for a reason which the public will not be slow to surmise, private investors will not be at all desirous of acquiring them, on the one hand, while they will be extremely desirous of securing shares in the Investment Company, on the other. The result will be that the money will flow to the Investment Company, where it will yield the largest returns, and will *not* flow to the owners of these tributary securities, which securities accordingly will go a-begging.

A similar condition of affairs will obtain in regard to many activities which are largely, though not wholly, useless. The desire of those representing these useless and all but useless activities to be rid of their securities, will stimulate a similar desire on the part of those representing useful activities. Our present financial system is a *veritable house of cards*, as is brought home even more cogently by each succeeding panic. Nothing better illustrates this than the present condition of affairs in this year of our Lord, 1907. For many months past prices have been soaring beyond all reasonable limits. One after another have sellers of commodities sought to wring yet another drachma from the purse of the labourer. The rise in the price of one product has been the excuse for advancing another, and the advance of the price of this *other* an excuse for *still further advancing the first*. The cost of living expenses has now far outrun the purchasing power of labour, so that the toilers have begun vigorously to retrench. They have been forced to decrease their *consumption*, and this has decreased the *demand* for goods to the point where supply has far outrun it. Then comes the money stringency. Manufacturers cannot get money in many cases even to pay their help, therefore, they discharge them. This still further decreases the purchasing power, which causes still further discharges, which still further decreases consumption, which causes still further discharge of labour, and so on and so on. The house of cards falls in an almost shapeless mass at scarcely more than a touch of imaginary danger. The Savings Banks do their share in shaking the structure to the ground by the assumption of a policy which, if *necessary* is most *significant*, and which if *unnecessary* is little short of *criminal*;—the policy of forcing their depositors to wait sixty days for money which may be an immediate and vital necessity to them. Under such a card-house system, what may be expected to occur when once the public comes to realise that the stock of the World Corporation Investment Company is for safety, convenience and large returns, as well as for moral gratification—the thing of all things to possess?

The effort to procure this stock, which can be secured only by the payments of a dollar in money for each of its shares, or its equivalent in money of other nations, will lead to a sale of vast amounts of other properties, for the purpose of securing this money. Under such conditions, it is quite conceivable that the purchasing power of money might materially rise, and that the dollar paid to the Investment Company might be made to purchase more than

## GILLETTE'S INDUSTRIAL SOLUTION

its ordinary amount of other securities. Businesses cannot be run without money and, in order to get this money, business men will have to be able to offer a proposition as attractive as that which the Investment Company will present. This they cannot do, for the reason that the Investment Company will be able to offer all their security, and a thousand times more, as well as the earning possibilities of countless other enterprises as good as the particular one in question.

We are considering, bear in mind, conditions as they will be when the World Corporation Investment Company is fairly well under way. We are, if you please, in the middle distance of our picture. The Investment Company has reached a point where its earnings are very large, and its stock most eagerly sought. The general public has come to realise that it is the most desirable of all investments. There has grown up among its shareholders, due to their community of interest, a feeling of comradeship which is acting as a potent leaven to bring them into close fellowship with each other. The early glimmerings of social sense have now given place to a *luminous certainty that happiness multiplies itself in volume as it diffuses itself beyond personal boundaries*; that ten men are capable of more than ten times the happiness of one man; just as ten men can perform in an hour the task which one man not only could not perform in ten hours, but, unaided, could never perform, however long he might strive. The ghosts of economic superstitions, whose dry bones so often have been rattled by the authorities with such terrifying effect, must now be considered as fairly well laid, for the people have learned at last that there is *nothing inconceivable in the idea that they should own their own production, and manage their own affairs*. Those competition-loving individuals who now contend that, if left free, they will do just what is best for their fellow man, but who, withal, are mightily afraid that this fellow man shall have the *power to make sure that they do it*, will, in all probability, at this juncture, have come to realise that competition is, in its very essence, antagonistic to society, and in its personal effect degrading to morality. They even may be willing to admit that the golden rule of competition — *let the other fellow look out for himself* is less ennobling than Christ's dictum "*Do unto others as you would have them do to you.*"

The power of environment is great beyond all belief, yet we are accustomed to hear intelligent men say that no social reform is possible until individuals are made better, and they will tell you, with oracular sobriety, that the way to make this world an Eden is, by individual methods, to alter the characters of the fifteen hundred million denizens of this planet. In order to illustrate the glaring absurdity of such beliefs, let us consider a parallel case. Let us suppose, for example, that a gardener has a lot of sunflowers, or other plants which will thrive only in sunlight, planted in a densely shaded and thoroughly uncongenial spot. Suppose, while he is examining them and grieving over their stunted growth and poor condition, a neighbour comes along and says to him: "Friend, if you will take my advice you will be able to get a good bed of sunflowers.



## GILLETTE'S INDUSTRIAL SOLUTION

Just you labour with each one of these individually until you can alter it to fit its present environment so that it will thrive. It will, of course, take you quite a while, but it is the only way you can get a good bed of sunflowers." The gardener we may suppose, is impressed with the oracular manner of his adviser, and determines to follow his advice. Unremittingly he labours with each individual plant. Many of them wither and die; a few hold their own; and some rare cases seem, after a long time, to show a little improvement. As a sunflower *bed*, however, the whole thing is a miserable failure, and even the very *best* specimens as *individuals* are poor beside the *ordinary* specimens in a successful bed. One day, when he is in despair, another neighbour chances along and remarks upon the sorry condition of the flower bed. The gardener tells him how hard he has worked to follow the advice given him, and with what pitiable results. Then neighbour number two says: "I'm not much of a gardener, but I know a thing or two about what environment will do for human beings,—for I have read what happened to the convicts sent to Australia, and how their children became some of the finest citizens of the world,—and I'm willing to bet you a bright penny that if you'll take those miserable looking sunflowers carefully up by the roots and set them over yonder in the full glare of the sun, where the soil suits them, you'll be agreeably astonished at the result." "But," protests the gardener, "my other adviser assured me that the only way to get a good bed of sunflowers was by working with each individual *as an individual*." "And you found," replies the other, "that about as soon as you began to affect the individual, and sometimes *sooner*, it died, and you had to begin all over again with the next generation. Come, now, isn't it so?" "It is, indeed," ruefully admits the gardener, fully convinced now that this man's advice is worth following. The next day, the weather being favourable to transplanting, he sets all his sunflowers in congenial soil where the sun will shine upon them all day, and as prophesied, the result is an agreeable surprise. In a few days he can fairly see them grow. Little, spindling plants that he had despaired of, toughen up and grow strong and rank. *He has tried both methods, and learned the power of environment.*

With men the story is the same as with sunflowers. *The great thing is environment.* Most of our acts result from *habits*. Our habits result from our *activities*. Our *environment determines these activities in an overwhelming degree.* In the largest sense almost everything is environment. Even those who would act upon us individually are a part of our environment, and are, therefore, only advocating a change in a relatively insignificant part of our environment, instead of in a vital part.

The fundamental and overwhelming advantage of the Gillette system lies in its power radically to change environment for the better.

## CHAPTER XXXVIII



Th' printin'-press isn't wondherful. What's wondherful is that annybody shud want it to go on doin' what it does.

*E. P. Dunne.*

There is in San Francisco one newspaper proprietor who has recently promulgated as his motto what should be adopted by scores of newspapers in America: "Damn morality; what we want is prosperity."

*San Francisco Star.*

Some people, . . . think it is easy to tell a politician. Of course, you can tell a politician almost anything, but he does not remember it. On the other hand, if a politician tells you anything, move the decimal point three places to the left, subtract twenty-three, take the square root, and divide by seven. Then believe only half the remainder.

A politician lives on pap, perquisites, peanuts and press notices.

*Ellis O. Jones.*

If ye don't use wan iv ye'er limbs f'r a year or so ye can niver use it again. So it is with gin'rosity.

*E. P. Dunne.*

An athlete is a man that is not strong enough f'r wurruk.

*Ibid.*

Most of our ills come from trying to get more out of life than there is in it.

*Elbert Hubbard.*

Onwee, which is the same thing as ingrowin' money.

*E. P. Dunne.*

First Magnate: "This problem of taking care of the poor is a hard one."

Second Magnate: "Most difficult, it's easy enough to get money from them, but it ruins them to give it back."

*Life.*

Man moves in a mysterious way his blunders to perform.

*Elbert Hubbard.*

## CHAPTER XXXVIII



CONTINUING our consideration of conditions as they may be expected to exist under the partially matured Gillette system, for the purpose of tracing its gradual differentiation from the present régime, we may next consider the condition of the labourer. As the Investment Company proceeds with its purchase of securities recommended by its Finance Board, it constantly will be coming into possession of a controlling interest in various enterprises. Where these enterprises are run as efficiently as possible, the Investment Company naturally will leave them in their present hands for a period. When we reflect, however, upon the tremendous scope which the new system will then have attained, when we consider its immense resources for cheapening production, for transporting goods, and for raising consumptive efficiency, and add to all this the fact that competition, with its terrible advertising and other wastes, will then have become an almost vanishing factor, we may be pardoned for asking ourselves where any present industry can be found, the methods of which will not seem like chaos when compared with the efficiency of the new régime.

Certain it is that many of the corporations will, in the opinion of the directorate of the Investment Company, need overhauling and reorganising, and this they will get as soon as the Investment Company secures a controlling interest. The doing away with competition will not mean what it always has meant heretofore, namely, the delivering of the people over to the tender mercies of *Monopoly*, but simply will mark the time when coöperation takes its rightful place in the sphere of human economics. A very large proportion of those who clamour for a competitive régime do so upon the assumption that the only choice is between *competition* and *monopoly*, apparently never realising that the choice is between *coöperation*, "*free competition*," and *monopoly*. To make matters still worse there has now grown up a propaganda which is doing its best to make the public believe that "*free competition*" is the same thing as *coöperation*. What is to be gained by thus wrenching our serviceable language out of all recognition, and making of definition a *sheer travesty*, we confess ourselves unable to see. It seems astonishingly easy for certain of these individualists to become so self-mad that their view of social relations requires an anamorphoscope to render it intelligible.

Whenever the Investment Company reorganises an industry it naturally will aim to secure the highest possible efficiency. If it has a man in one industry who would be much more valuable in another, it would be as inevitable that it should seek to get him to



## GILLETTE'S INDUSTRIAL SOLUTION

change his occupation as it would be for an intelligent foreman of a machine shop to put a bench-worker upon lathe work, if he had a far superior skill in that branch of the work. As the Investment Company develops, therefore, it will be but natural that there will be a continuous flow of labour from one industry to another, as soon as men come to realise that they can trust the organisation to see that they have remunerative employment in pursuits for which they are best fitted, and in which, for this reason, they take most pleasure. Indeed, this very shifting will be one of the ways in which the corporation will increase its efficiency. In this way will the stockholders in the corporation come to look upon the Company in the light of an employer who strives to be perfectly just.

It will be the policy of the directorate, other things equal, always to seek to employ its own shareholders in preference to others. This it naturally will do, because it will have learned the immense value of that *esprit de corps* which results from a community of interests, and a feeling on the part of the worker that he is making "profits" for himself. We have said, "other things equal," by which we would be understood to imply that the directorate would not employ an inefficient stockholder in preference to an efficient outsider. It is not likely, however, that these distinctions of efficiency, between outsiders and insiders, will ever be a factor in an organisation comprising hundreds of thousands of persons of every kind and shade of ability and talent. The workers of the Investment Company, which will be much the same thing as saying its shareholders, will soon become accustomed to look to the Corporation for employment. Any man, therefore, who is engaged in work which he believes does not offer him an adequate opportunity for his abilities, naturally will apply to the officers of the Company for a position more suited to his tastes among some one of its myriad enterprises. As the directorate will fully realise that, as a rule, men do best that which they like best, it will be their policy to encourage, rather than to frown upon these changes, until each man has reached the point at which his productive and consumptive efficiency is at its maximum. In applying for a position, or a change of position, the applicant naturally will offer any assurances he can command of his ability to fill the coveted position. It will be as natural for him to offer these as it will be for the officers to desire them, and so there will grow up, almost spontaneously, a method of examination. We refer to this tendency here in order to show how natural is the unfoldment of the Gillette system. Later, in its proper place, we shall show a final method of examination.

We have explained how the stockholders of the Company will turn thereto for employment, and we now scarcely need mention that outsiders wishing employment will not infrequently become stockholders with that end in view. The Corporation will at first, of course, pay wages in the form of money. As the public comes to realise the value of the investment stock, much of this money will come back again to the Company as payment for stock, and, as time goes on and the earnings become larger, this tendency to make all investments through the Corporation will daily become greater. In

## GILLETTE'S INDUSTRIAL SOLUTION

this way will grow up, in the minds of the shareholders, a desire, whenever practicable, to exchange services for corporation certificates. To the man who has earned a dollar which, if paid him in money he immediately will use to purchase a certificate, it will seem an unnecessary roundabout procedure on the part of the Company, to hand out a dollar which at once he passes back as payment for a certificate. It will seem to him a more rational short-cut to take the certificate in the first place, and leave the money out of the question.

Money is used as a measure of value and as a representative of value. The non-speculative shares of the Investment Company which, so long as issued, can always be had for a dollar, and which can, under any ordinary circumstances, be sold for the same amount, will serve as a unit of measure, and they certainly will be taken as an evidence of value by the man who considers them desirable objects of purchase. We wish to show, at this juncture, how it will be quite natural for the general public to come to realise that money is only a factor in exchange, and that if the exchange can as well be made without it in its present form, it is a quite needless factor. Since World Corporation certificates will be the most eagerly sought of all investments, and since, furthermore, they will be promptly exchangeable for money, they will as readily purchase commodities as certified checks now purchase them. For all objects of wealth *not* in the control of the Corporation, they will be accepted unquestioningly. For objects of wealth controlled by the Corporation they will be readily exchangeable, either in their original form, or through the intermediate form of money resulting from their sale. So far then as they who are members of the Corporation are concerned, there will be little use for what we now know as *money*, except for the purpose of securing the shares, so long as these shares are permitted to circulate. Since, however, the Corporation looks forward to a time when all of these shares will repose in the treasury of the Holdings Company, it is evident that these certificates could not continue, as a relatively perfect substitute for money. Something else will be needed, and something else will be supplied, as will be described later in its proper place.

*Money is the common denominator of all desires.* It is that thing which most easily can be changed into any other thing which man may covet. Its value rests in this universality of exchangeability and this universality of exchangeability is the very thing which makes it the most eagerly sought of all commodities, for money is a commodity as much as corn or potatoes. It simply is that commodity which is most generally desired. Should men generally come to desire *something else* more than they covet what we now know as *money*, that *something else* would, by very virtue of generality of desire, become the *real money*, degrading what we now know as money to the level of a *secondary* commodity. When the time comes that the shares of the Investment Company are more prized throughout the world than the dollar they represent, they will practically be money, with the exception that creditors legally may be able to refuse to accept them. As these creditors, however, will mostly be



## GILLETTE'S INDUSTRIAL SOLUTION

members of the Corporation, it will be easy to secure a general agreement to accept the shares for *all demands*, on the one hand, while, lacking this agreement, it would, on the other hand, be perfectly easy to redeem these shares for legal tender money where desirable. Indeed, the mere fact that *anybody could redeem them* would render creditors willing to receive them in payment for all demands. We do not feel it necessary, at this juncture, further to elaborate our thought upon the subject of money. It is enough for our present purpose to show how there will grow up in the public mind a conception that the evidences of value issued by the Company will serve as an accurate measure and a sufficient token. From this the rest will evolve as naturally as a bud unfolds.

It seems a fitting place here to answer a question which may arise in the reader's mind. This question may formulate itself in some such phrase as this. "What is to hinder the officers of the Corporation from becoming autocrats, with the power to give or to withhold employment at their own sweet will?" The complete answer to this question belongs to the next department of our subject, and its details would be out of place here. In order, however, to show the reader that we do not propose to neglect this point, and also for the purpose of further showing how naturally the system unfolds itself, we would call attention to the Initiative, the Referendum and the Power of Recall irrevocably embodied in the basic structure of the organisation. Holding these provisions in mind, as an ultimate safeguard, let us examine for a moment the evolution of the system along these lines.

As the Corporation secures control of a great number of industries, it will classify these, placing each in charge of the ablest talent it can command. In this way will grow up heads of departments whose efficiency is their badge of office. These heads of departments will have a determining voice as to the fitness or unfitness of any particular man to do the work of their departments. Inasmuch, however, as the Initiative, the Referendum and the Power of Recall is not to be confined to the Investment Company and the Holding Company, but is to be embodied in each and every organisation, existing in connexion with these Corporations, of a nature permitting its embodiment, it will be seen that at any time, a short shift can be given either to favouritism or to enmity. In order absolutely to safeguard this system against the dominance of a few powerful men, it will be the uniform rule, throughout its entire organisation, that each individual member shall have *one vote*, and *one vote only*. This not only will be the case in the later stages of the system, but it also will obtain during those earlier stages when the Investment Company is issuing shares. The holder of *one share* in the Investment Company will have as much to say regarding the determination of its policy, as he who holds *ten thousand shares*. The reasons for this provision are very numerous and very cogent and it may not be amiss to refer here to some of them.

First; the Gillette system must ever remain a democracy, and in no other way is justice possible. Second; the welfare of the system as a whole is of immensely greater importance than the

## GILLETTE'S INDUSTRIAL SOLUTION

observance of any merely conventional ideas of equity with regard to a few individuals. The theory that he who has the largest financial stake in an organisation should have the loudest financial voice, may, or may not be tenable from the competitive standpoint. It certainly can have no weight in a system where finances play a vanishing part, on the one hand, and where, on the other, non-monetary considerations are of the utmost importance. In the third place, because the holder of one share of stock chooses to double his holdings, there is not the slightest reason to believe that, at the same time, he *doubles his directive sagacity*, which is to say, that the ability to purchase stock of a corporation is no assurance whatever of a corresponding ability successfully to manage such corporation. If it have any evidential weight whatever along such lines, the most that can be said of it would be that there is some degree of probability that he, who has drawn to himself enough of this world's goods to buy a large block of stock, might be expected to be able to use that stock so as to *continue to draw to himself* large portions of the world's wealth. Were this postulate proved, it would all check very well with the ideals of a murderously competitive régime, but it would represent the one condition, which, *more than all others*, the Gillette system is determined to eradicate. We cannot repeat too often that, under the Gillette system, all questions of good or bad, of right or wrong, of justice or injustice, are referable, not to the *individualistic aggregate* of our present competitive régime, but to that larger *social aggregate* which, in the Gillette system is, and ever must be, the *court of last appeal*.

In the fourth place, the new system fully appreciates that "*everybody* is wiser than *anybody*," on the one hand, while, on the other, it has observed how easy it is to corrupt individuals, and how all but impossible it is to corrupt large masses. By this one-man-one-vote policy is secured the democracy which comes from a diffusion of government, thus preventing those fatal oligarchic tendencies which invariably follow any concentration of power in the hands of a few.

In the fifth place, it is to be remarked that he who becomes a member of the new system, whether he own one share or a million, has a right, which in the opinion of the organisation traverses all other rights whatsoever—the right to life, to liberty and to the pursuit of happiness—the right, in short, to gratify his desires to the fullest possible extent compatible with the equal rights of others. If, now, any other considerations interfere with, or threaten, the exercise of this right, they cannot be tolerated; and the granting to one man, because of his larger investment, a louder voice in the organisation's affairs, not only would menace but would prevent the free exercise of this right, even as it *now* prevents it under our competitive régime.

In the sixth place, it is to be borne in mind that the new system quickly will work out of the stock stage, so that, in a relatively few years, there will be no certificates outstanding as indications of any one's right to vote. At this time, therefore, it is self-evident that he who formerly owned a thousand shares should not expect to cast any more votes than he who formerly owned one share. Since, then,



## GILLETTE'S INDUSTRIAL SOLUTION

a stock representation could not *persist*, it would be folly to *inaugurate* it, for it is the characteristic feature of the new system that it is a normal growth from seed to flower with no sudden changes and no violent uprootings.

Many more reasons could be given for this one-person-one-vote policy, but enough has been said to show any experienced reader the wisdom of the course. Nor is this all. In order to prevent designing individuals from seeking to exercise undue influence, it will be the policy of the organisation, not only in its corporate activities but everywhere else, absolutely to refuse to recognise *any kind or sort of proxy*. Its members will not be permitted to cast their votes through a proxy. The object of this regulation is to prevent designing men from getting a lot of proxies which they use to further their own selfish interests. A man cannot vote for governor by proxy, and there is no more reason why he should vote in that manner for the personnel of his organisation. In order to facilitate voting on the part of those who conveniently cannot go to the voting centres, a system of voting by mail will be inaugurated, each ballot thus presented to be properly made out and signed. This matter of voting is treated elsewhere, for which reason we need not further particularise here.

As the Corporation enlarges so that the structure of each department of industry becomes a complex mechanism, it will be the purpose of the system to make each department in a large measure self-governing, which is to say, that it will attempt so to officer each industry that it will not be necessary for it often to interfere in its internal government. Thus there will grow up in each department a corps of officers and lieutenants some of whom, at the start, doubtless will have been appointed by the main organisation, but most of whom will have been elected by,—and all of whom will be subject to,—the wishes of the main body of workers in that department.

We must caution the reader constantly to keep in mind that this is not a competitive régime; that, therefore, every worker in a department will, in a sense, be an officer ever on the lookout for inefficiency, slothfulness or waste. It will be to the interest of each man in a shoe shop, or at a carpenter's bench, to see that his fellow worker slights neither the quality nor the quantity of his product; for each will realise that *he* must suffer for his *brother's* inefficiency. In this great brotherhood no one will be permitted to poison the stream of life from which all must drink. The poisoned food supplies; the diseased meats, the adulterated products which are now killing humanity by the thousands, would never be tolerated for a minute under such a system as that which Mr. Gillette proposes. Not only could there never be any incentive for producing anything but the very highest and purest grade of products, but, were it possible to attempt to lower this standard, the man who did it would find himself a social pariah unable to get any sort of employment until he had proved his moral reformation. It is one thing to can meat under a competitive system, where the few who handle a certain vile brand know better than ever to eat it,—and quite another thing to can meat under a coöperative system on a scale so large that the product

## GILLETTE'S INDUSTRIAL SOLUTION

will reach everybody who indulges in such articles of food, and where every selfish, as well as every unselfish reason makes for the highest possible standard of equality. The difference is the difference between the housewife cooking for her own family and the same woman providing for strange boarders at a large hotel. In short, they who have not the social sense still will be careful of their own, while they who have the social sense *regard all mankind as their own*, and are, therefore, considerate of the welfare of all.

It doubtless will have occurred to the reader that, when the World Corporation Investment Company shall have acquired control of a great number of industries, an economy naturally will be effected by bringing at least those of a similar nature into proximity with one another. Thus there gradually will come about an industrial classification, with the result that the real estate values will *fall* at the places from which these industries are taken, and will *rise* in the vicinity of their newer home. When this course becomes widespread, land will be a perilous investment, at least, in those localities which the Corporation elects to abandon. Employing, as it will, millions of people, it will have the power to dictate terms to the most obdurate brand of landlordism. We have had ample opportunity in this country to observe the attitude of towns toward trunk lines expected to pass in their vicinity — have seen communities ruined by the new railroad leaving them a little matter of five or ten miles to one side — and we need, therefore, no more than refer to the far greater power which ultimately will vest in this Corporation. Its locations will be the commercial garden-spots of the world. All communities eagerly will bid for them, and those particular districts which have the greatest natural facilities will, of course, win the prizes.

We are speaking still, be it remembered, of the system in its intermediate stage. When it has become all-inclusive, the matter of land values will not bother any one — *not even the former landlord*. In this transition period, however, it is inevitable that the operations of so large a Corporation will materially affect land values. The reader must not lose sight of the fact that, as soon as the new system is regarded as a foregone conclusion, values along many lines will crumble up like empty puff-balls. That thing which universally is regarded as of less value than the stock of the Investment Company will not be salable either for stock or for money, for the reason that he who has the money to buy it, being able to buy stock will buy that instead. In this way will be discovered many an elaborate commercial house of cards which will fall at the merest breath.

As the operations of the Investment Company will be world-wide, and as it will number among its shareholders members of every race; and further, as its directorate will be chosen with a view to the number of shareholders of each race, it is evident that, if any country refrained from purchasing the Corporation's stock, it easily might find its productive engines run by foreign engineers. The new system addresses itself not to sects, nations, or races, but to the whole human race, and it ever will have at heart the good of



## GILLETTE'S INDUSTRIAL SOLUTION

this *largest aggregate*. If this good necessitates the shifting of the population of an entire country, and the Corporation were able to do it, it would not hesitate a moment. It will be seen, therefore, that if countries wish to have a voice in the management of their own industries it will be necessary for them to see to it that they are represented upon the Board of whatever organisation secures control of these industries.

The Investment Company will operate upon the exchanges of every country in the world where proper securities are to be had at a proper price. Thus we may see how the government of each country will find it advisable to encourage, rather than to discourage, the purchase of the Investment Company's shares. Let us offer as an illustration a condition of affairs which we feel sure will never be permitted to obtain. Suppose, for example, it were possible for some power to dissuade Americans from acquiring shares in the Investment Company, and suppose, therefore, that immense blocks of this stock were sold in England, and that this money, so obtained, came back to America and purchased control of all our industrial arteries, for England easily could command the money to accomplish this within a reasonable period. What would then be the result? We should find all our productive machinery engineered by a directorate of Englishmen, engineered not for our own *personal profit*, but with the sole view to the purposes of an organisation of which we had refused to become a part. Does the thought of England controlling our industries seem a violent supposition? If so, we invite the reader to consider to what an extent this condition already obtains. We beg him carefully to read, with this end in view, the array of facts upon this subject presented in the first volume of this work, under the heading "Our Land Graft."

It will be the aim of the World Corporation Investment Company, as it would be that of any good business organisation, to increase to the utmost the efficiency of all those connected with it. When the Company has spread its influence throughout the length and breadth of the world, and has gotten for the heads of its various industries the ablest talent the world can afford, it is inevitable that it will come to wish that this talent were more plenty; that it were plenty enough, in fact, to extend itself to the *rank and file* of the Company's workers. It will be imperative that each chief of a department shall find skilled lieutenants upon whom he can depend. To secure these, with ideas in harmony with his own, it will be necessary for him to educate them to the work in hand. He naturally will secure some of his timber for instruction from those who wish to work in his industry but are not fully skilled in its requirements, and each departmental head soon will come to notice that, after he has supplied his own more pressing need for lieutenants, there still is left a vast deal of talent and ability of an order too high to waste. Under this condition of affairs the departmental heads surely will discover that they can find a use for a far greater number of lieutenants than originally they supposed to be necessary,—in short, it will be borne in upon them that every last man in their department profitably could be made a lieutenant, had he but the skill, and the

## GILLETTE'S INDUSTRIAL SOLUTION

initiative which comes from, and is a part of it; and the truth will come home to each industrial head that, in this way, the efficiency of his working organisation can be increased to an extent scarcely dreamed of before. The result of all this will be that, gradually and almost imperceptibly at the start, there will grow up a system of industrial education to which any man in the world may be eligible. Young men, beginning life with a definite knowledge of what they wish to do, will find here an opportunity to fit themselves for their life's work. In order to meet the needs of those who, under our existing system, have been deprived of their primary education, it will be most natural that the new system should offer such unfortunates an opportunity to gain this primary education at the same time that they acquire the technical training to fit them for their chosen calling. The equipment necessary to educate such in the primary branches may just as well be used for children, as for uneducated adults, and this undoubtedly will be the case until, in the end, it will be possible to start the education of the child in the new system's kindergarten, and to keep on educating him throughout his life; to educate him so perfectly that he will find himself in his chosen pursuit, doing the world's work joyfully and efficiently, without scarcely knowing when he began to do it, his education, in the meantime, continuing to any extent he may desire. Compare this with the present régime, under which young men are educated (?) until they feel themselves too good to work at any but certain favourite pursuits, and who find themselves, after four years in college, so hopelessly detached from life and all its vital processes, that they are as helpless as chips upon an angry sea. They have been educated *out of life* while *pretending* to educate themselves *for* life. The best, the most formative years of their youth, have been spent in an abortive classicism and a chaotic smattering of science scarcely more real, with the result that, when they leave college with the fond belief that they are fitted for the exigencies of life, they suddenly find themselves face to face with what seems to them a great, blank, unmeaning and impassible wall. To pass through it is impossible for them. To scale it seems a hopeless task. To understand it is out of the question, so they turn away intellectually jostled, bewildered and abashed, knowing not what to do or whither to go; and this great wall is *life*, and they meet it abruptly, without *warning* and without *knowledge*, and the fact that they do so is one of the *great crimes* chargeable to our present ridiculous social system.

We have seen how, as naturally as the bursting of a bud, the Gillette system will develop an educational régime, beginning at the utilitarian end of the subject, with a distinctly bread-and-butter aspect in view; how its plan of education will, at the very start, make sure that the scholar has the knowledge to support his own life; and how, this much assured, it will branch out to include those other data which address themselves more particularly to the culture of the mind and soul. Here, for once, at least, will the law of evolution be followed, and the subject be attacked from the *right* end, and it is our confident belief that the results which will follow will constitute a glowing tribute to the efficiency of the new system.





## **CHAPTER XXXIX**



It has become a general complaint that men of forty or more can no longer find good work. Either they cannot keep up the pace, or they are already worn out by work — or children come cheaper. But a world without grown men and women will be a queer place, and how are we to prevent the young from growing old? It may be necessary in time to provide a public lethal chamber in which they may be humanely suffocated at maturity by a Society for the Prevention of Cruelty to Grown People.

*Ernest Crosby.*

Information obtained from the most reliable sources indicates that 75,000 persons in Chicago are out of employment. This means that the material welfare of more than 150,000 women and children, dependent upon them is at stake. This condition (brought about by business depression) has greatly increased the urgent needs that always prevail at this season of the year. The organised charities of the city, whose incomes have suffered from the depression, are wholly unable to meet the rapidly increasing demands for assistance.

*Business Men's Relief Committee of Chicago.*

Another justification of the "rake off" on wages practised by employers is that the employer is worth it to the workman. For instance, you say, there are a thousand unemployed workmen. A captain of industry comes along, builds a mill, and shows them how to earn a living. Is he not entitled to all he can make out of it? and is not this gain the measure of the value of his labour, which might have entailed loss as well as profit? I answer: No, because the whole foundation of the experiment was unjust, involving the existence of an unemployed, or ill employed class, which condition is the result of injustice. This Moses who led to the Promised Land of employment was made possible by the hardships of Egypt, which was caused by his own class. He cannot plead his own wrong-doing in his favour. The demand for "captains of industry" is largely caused by the state of industrial war in which we live. When peace, founded on justice, is once declared, and the work of finding markets, satisfying stockholders, and crushing rivals is finally abandoned, it will be seen that the direction of industry is a comparatively simple affair, and that its wages can be fixed with moderation and certainty, free from all speculative and extraordinary considerations.

*Ernest Crosby.*

Wurruk is wurruk if ye're paid to do it, and it's pleasure if ye pay to be allowed to do it.

*E. P. Dunne.*

The way to make people work is to make them able and willing, strong, skilful, ambitious, enthusiastic. When we wish to develop horses to work more and better than previous horses, we do not seek to attain that end by cutting off their oats. The power to work comes from the energy already supplied, not the hypothetical energy of a future reward.

*Charlotte Perkins Gilman — Human Work.*

## CHAPTER XXXIX



HAT is known as the "law of supply and demand" forms the very corner-stone upon which is builded that beautiful archaic temple of competition over which presides the modern god of Mammon. Your average business man, like your average economist, will tell you that the whole enginery of production is held either from racing or lagging by this marvellous governor. We are told that, under normal conditions, supply will just equal demand, and that when this is not the case something is wrong somewhere with the mechanism of production, distribution and consumption. If, now, one points out case after case where supply and demand do not balance, he will only cause the aforesaid individuals, if they admit the justice of his criticism, to aver that some *artificial force* is interfering with the perfect governing of the productive mechanism by this alleged law of supply and demand. The plain fact of the matter is that *no such law actually exists*, and it is only *thought* to exist, by reason of the fact that the observers have not looked closely enough to see that there is a *real law* underlying this *alleged law*, or incorrectly stated observation.

Supply and demand not only do not balance, in the overwhelming majority of cases, but they do not *tend perfectly* to balance. The real fact of the matter is that supply and demand constantly tend to keep crossing a neutral point, exactly as the governor of a machine crosses such a point when it performs what is technically known as "*searching*." Such a governor, when the mechanism is running too fast, will, if you please, order it to slow down. This order will be acted upon until it is running too slow, when the order to speed up will be given, and this, in turn, will be acted upon until the mechanism is again running too fast. So, in economics, when there is an over-supply of commodities, prices ultimately will fall, and some goods will remain unsold. This tends to decrease production until prices again rise to an amount sufficient to induce an increase of production, but all this does not occur immediately, or anything like it.

The social mechanism is a machine having a *tremendous momentum*, and it is not to be stopped or started, accelerated or retarded in a moment. This cumbrous and unscientific supply-and-demand fetich, as it now exists, is powerless to make itself *felt* until *relatively long* after the advent of those circumstances which mobilised it. By *that* time circumstances may entirely have changed. When a current is turned on to an electro-magnet, it exhibits what is sometimes known as a "magnetic lag," in short, the particles of the iron composing its core do not immediately adjust themselves



## GILLETTE'S INDUSTRIAL SOLUTION

to the new conditions. When the current is turned off, we witness what is known as "residual magnetism," due to the fact that the iron particles again refuse instantly and completely to change their state. This is precisely the case with those social particles acted upon by the stresses of supply and demand, with the result that, when there is an insufficient demand for goods, the machinery supplying them will not instantly slow down, but will continue to run for a greater or lesser period, and, by the time it *has* slowed down to accommodate itself to the output required at the time the retarding impulse was given, the demand may have *increased far beyond the point of previous maximum output.*

Not only does this fetich-governor not govern perfectly, but on every one of its "searching" excursions, injustice is done and hardship results. Were it possible to have a demand for more goods *felt only over the productive area necessary to secure the new increment of the commodity*, the excursions of this supply-and-demand governor would be much shorter, and its extreme points would be much nearer to that median line representing ideal regulation. Such, however, is not the case. The rise in the price of wheat is felt *throughout the markets of the world*, and it is *not even true that the rise in price is proportionate to the shortage in supply.*

The net result of all this is that a rise of price, which results from a shortage of ten thousand bushels of wheat, may operate to stimulate the production of a million bushels, and the resultant production of tears and heartache when this surplus is found to be a drug in the market. This alleged law of supply and demand does, indeed, in price-fluctuations, wave a sort of signal which at best is only *qualitatively true* for the moment, and cannot be *quantitatively understood* with any safe degree of accuracy. Even if it were true and could be understood, it would be hazardous to act upon it, because, before the results of such actions could be reached, conditions might be radically different. When the price of potatoes rises so that farmer Brown will quit raising corn in their favour, is there anything to hinder farmer Smith from being similarly affected by the same cogent condition? Certainly not; and the same is true of ten thousand Browns and ten thousand Smiths. When, some years ago, the Southern cotton growers found themselves confronted with what they denominated a tremendous "overproduction," they met in solemn conclave and pledged themselves to produce a great deal less the following year. This weighty decision arrived at, they betook themselves to their several homes where, in thinking the matter over, a large per cent. of them reasoned,—each with himself, of course,—that the reduced supply would greatly augment the price per bale, and that, if he broke his pledge and produced a very large crop, while his competitors kept their covenants and raised small ones, he would reap a rich harvest. So many of them followed just this line of reasoning that we are told that the following year's crop was much greater than its immediate predecessor, and that the prices therefor were ruinous to the growers. *Thus we see how an incentive to produce operates over an area having no necessary relation whatsoever to the increment needed.*

## GILLETTE'S INDUSTRIAL SOLUTION

This alleged law of supply and demand, therefore, is at best nothing but a *tendency* — a tendency for to-day's shortage of a commodity to increase at *some future time* the production of that commodity, the *amount of shortage* not controlling the *amount of increase*, and the *time of actual production of the increase* being, as likely as not, coincident with an over, rather than an under, supply of these very goods. A rise in the price of a commodity, relative to other commodities, means, therefore, little more than this; that the effective demand is at this present moment tending toward a point beyond the limits of the known supply, and even *this* little information is not to be had, except under conditions of *free competition* — conditions which now are about as rare as *white blackbirds*. Under monopolistic conditions this economic fetich of supply and demand means *absolutely nothing*, except that the monopolists will wring from the public all the traffic will bear. Now, under monopolistic conditions, "all the traffic will bear" represents exactly the maximum sum men will pay for a commodity rather than go without it. A drowning man would pay for the use of the only boat in sight any possible price less than his life.

In the introduction of new articles, as for example patent medicines, the proprietors not infrequently hire men to go from store to store, where it is known the article is not kept, inquiring for it in each place. This, of course, creates an entirely fictitious demand, for the man does not wish to purchase the article at all. He is, on the contrary, the agent of the one who wishes to *sell* it, so that his action, which seems to the trade to indicate a *demand*, really indicates a *supply*. This of course, is but a dainty sample of that business *finesse* which constitutes one of the *ethical glories* of the competitive régime. But let us consider for a moment the effect of the inquiries of one who really does wish to purchase, say, a certain patent medicine. Suppose he asks for it in a dozen stores, only to be told that they do not keep it. The next day another man, wishing a bottle of the same article, goes the round of the same stores, and a little later, the third man repeats the process. Here is an *apparent* demand for thirty-six bottles of the preparation, whereas, the *actual demand* is for only three. The twelve druggists will, each of them, quite naturally think there is a sufficient call for the preparation to warrant them in stocking up with it, with the result that their supply may outrun their demand more than ten-fold. It is nothing to say that it will all balance up in the end, for the real question is what will happen *in the meantime*, and, as a matter of fact, there is no assurance that it will *ever* balance. Now we submit that this is a fair sample of that fetich called *the law of supply and demand*.

When the World Corporation Investment Company secures control of its first productive enterprise, its Directorate, its Finance Board and its World Congress will merely stand in the place of the former managers of this enterprise. They naturally will be very much farther seeing and more enlightened than their predecessors, but, apart from this fact, they will equally be liable to misinterpret conditions of supply and demand. Not knowing what their competitors in the same branch of industry propose to do, they very easily may



## GILLETTE'S INDUSTRIAL SOLUTION

produce too much or too little of the commodity in question. As soon, however, as the Investment Company secures control of another corporation dealing in the same commodity, it will be considerably less likely to err in producing either too many or too few of the articles in question. With each new acquisition, in the same department, this liability to error will decrease, until, when the Corporation has secured control of the whole industry, there will be *no danger whatever* of improperly regulating the total output. There will then be no incentive, as there is under a competitive régime, for any one to attempt to deceive, either with regard to the real demand, or the actual supply. All calls for the commodity will be addressed to one central point. All disbursements of the commodity will be recorded at the same point. It will be perfectly easy, therefore, by the simplest kind of bookkeeping, to know from the start, within very narrow margins, just how much of any commodity will be needed. After these conditions have obtained for a few months, the experience derived will enable these margins of error to be reduced almost to a vanishing point, and any little error that *may* exist, will carry with it no appreciable hardship to any one.

It is not our purpose here to go into the details of this subject, since these properly belong to the final division of this work. It is enough to show in this connexion how naturally and inevitably the new system will come to regulate supply and demand in the matter of commodities. The World Corporation Investment Company will make of the whole world one great thinking organism correlated in all its parts; a mighty brain, the individual cells of which are the brains of the multitudinous members of the human race; and, acting in obedience to this massive thinking organism, and interacting perfectly with it, will be a gigantic body whose cells are the bodies of all mankind. Growing out of this union of the social mind with the social body, and developing *pari passu* with it, will be found the social soul,—an ethical aggregate of a generality and a potency never before known to the world of men. Surely any one with a glint of philosophical insight must see that *actions become better and better, as they tend more and more to result from motives referable to larger and larger aggregates*. The welfare of *all* is of vastly more importance than the welfare of *any one* of all. Nature cares little for the individual, but she cares much for the species.

We have seen how the new system naturally will seek to regulate the supply of commodities to the requirements of consumption, and we may now turn, for a moment, to a consideration of the question of the supply of, and demand for, labour. It must be borne in mind, in this connexion, as well as in the foregoing, that we are dealing with the Gillette system in that condition of partial application which will represent a middle or transitory stage. We are not seeking definitely to limit or define, but are striving rather to show the reader natural *tendencies*. Evolutionary processes are processes of growth. They are tendencies, if you please,—tendencies of an accelerative nature, so that we may fitly say that natural selection is, as it were, *a sort of compound interest of tendency*.

## GILLETTE'S INDUSTRIAL SOLUTION

Now, he who wishes to take advantage of evolution must form a close partnership with Nature's forces. If he have the wit correctly to locate the real current of Nature's affairs, he need only plunge into it to be swept onward toward creation's high purpose. The human species is the result of fortunate archaic life-forms that "happened" to float upward in the main sap-current of the biological tree, without ever leaving its trunk.

The Gillette system is in partnership with Nature. *It builds the future out of the past upon the foundation of the present.* What ultimately will blossom, therefore, in clearly defined laws will, perforce, begin to show colour in the bud as mere *tendencies*. It is these tendencies which are of such paramount interest to us at this stage of our subject. In what form will the inevitable tendency of men to seek to gratify their desires by the minimum amount of exertion first become an apparent factor in the subject of labour supply and demand? We have already seen how workers in one department may be transferred to one better suiting their tastes and abilities, and we have now only to consider what might arise if too many or too few applicants desired a certain kind of work. Bearing in mind that from this stage on the Corporation will daily be better able to know the demand for, and to regulate the supply of, any given commodity, we safely may presume that they will find some means of regulating labour, to the end that no life need be wasted either in idleness or in useless activity. If the supply of a commodity were too great, they easily could refuse further admittance to applicants desiring to enter that department. This would be about the course which would be pursued under a competitive régime, but it would *not* be the course which the Gillette system would adopt,—for the simple reason that it would not be *just*. There is no reason why a man who happened to be born a year sooner than another, and who, perhaps, for no other reason, arrived at a given state of efficiency a year sooner than his younger brother, should, other things equal, be able to hold a position from which his brother is debarred. In the eyes of a just system, all who have the ability and the willingness to render a given social service must, at any given time, stand upon an equal footing. That an old servitor should take precedence over a young one of exactly the same efficiency and willingness, may be generosity, philanthropy, or *anything else for that matter but justice*—that it certainly is not. We are quite aware that a strong popular sentiment will make it difficult for many a reader to see this point, but it is none the less well taken for all that. A society which is in line with evolution cannot afford to consider unessential details. The one great question which it is continually asking of its every member is; what service are you *now* rendering to the great aggregate in return for what you are *now* getting from it? It is not interested in knowing what you have done in the past, for that, in a just society, would represent a closed and accurately balanced account, no credit accruing to either side, and no balance being due from either side. It does not care what you *tried* to do, because, since its greatest object is to get the thing done, well-intentioned fail-



## GILLETTE'S INDUSTRIAL SOLUTION

ure would be less profitable than ill-intentioned success. As a product of evolution it would suicide if inefficiency could, by hook or crook, secure as good a chance in the life race as efficiency.

We wish to emphasise the fact that, in a just society, accounts are kept balanced. This repetition seems to us necessary, because of the so-prevalent opinion, among business men, that large tax payers are great benefactors to the community, and should, therefore, be regarded with something akin to reverential awe. The fact of the matter is that he who pays ten thousand dollars annually in taxes should have no greater claim upon society than he who pays a two-dollar poll tax. Each has merely balanced the debit and credit sides of an account, and the residuum of any balanced account, *no matter what the size of the account, is nothing*. If a just society collect ten thousand dollars in taxes, it gives a ten-thousand-dollar equivalent therefor, else it is *not* just. If an unjust régime taxes extortionately, the robbed tax payer should resist it to the uttermost, and not seek to pose as a philanthropist. As well might a man who had just been relieved of his purse at the pistol point of a highwayman, puff out his chest and demand praise for his generosity.

A similar line of reasoning applies to a similar popular error—the error of assuming that men who offer employment to labour are great benefactors of labourers. Now the employer of labour either pays labour a just wage, or he does not. If he does, he squares all accounts between himself and his help, leaving absolutely nothing due from *either* side of the transaction. If he pays less than a just wage, he deserves not praise, but censure. If he pays more than a just wage, that part in excess of justice is not *real* wages, but is charity, and the employer occupies the double position of business man and philanthropist. He may, or may not, deserve praise in his capacity of *philanthropist*. He certainly does not deserve it in his capacity of *employer*. The labourer, on the other hand, who thus takes what he has not earned, like any other person who does the same thing, is prevented from being a thief only by the fact that he takes the goods with the consent of their owner, making what otherwise would be a thief a beggar. It is needless to remark that society is not noticeably afflicted with a tendency, on the part of employers, to overpay their help. The Moloch of competition takes good care of that, but it is not so needless to state that, when the employer underpays his help, *he himself becomes a beggar*, if he gets the surplus goods with the *full and free consent* of his help, and a thief if,— as is so often the case under our present lack of system,— he gets them in any other way. Thus is sauce for the goose sauce for the gander. The employment of help is just as much an act of exchange, as the trading of corn for potatoes, and, in order that justice may be done, the values of the articles exchanged must be equal.

By reason of the fact that money can be used to levy tribute in the form of interest, it has become a more desirable commodity than any of the other commodities for which it exchanges at a premium. Thus it happens that he, who under a proper monetary system normally would desire to exchange his surplus of corn for potatoes through the instrumentality of a universally recognised exchange

## GILLETTE'S INDUSTRIAL SOLUTION

medium called *money*, does, under the present system, complete one-half of the exchange, namely, the purchase of money with his corn, and then omit the other half, because he finds that, with this money, he may levy tribute, from which tribute he can buy any potatoes he may desire. In this way a normal exchange of corn for potatoes is interfered with, and money, which cannot be consumed to satisfy human desires, attains a premium over those other commodities which are essentials to human happiness. The trend of events under a competitive régime forces all mankind instinctively, if not rationally, to appreciate this condition of affairs, to the end that he who has money to disperse, is looked up to with a peculiar sort of reverence. To put it in another way, in harmony with the present commercial vernacular, we may say; the buyer commands the situation — the man with the money is dictator.

That all this is wrong will appear when we realise that the one side of an exchange transaction is no more a *buyer* than the *other*. Brown, who exchanges money for Smith's wheat, does not buy Smith's wheat with his money any more than Smith buys Brown's money with his wheat. It is the general failure to realise the truth of the foregoing considerations which has made it possible, in America and elsewhere, for plutocratic robbers *infinitely worse than pirates dangling at the yard-arm*, to pose as benefactors of their kind and to receive the cringing homage of their ignorant victims.

We have seen that the Gillette system, in regulating the production of its commodities in the intermediate stage of which we are now treating, would not avail itself of the competitive practice of decreasing productiveness in any department, either by discharging the workers therein or by refusing admittance to properly qualified applicants. This it would not do for the simple reason that such a course would be unjust. If more applicants desire to work in a given department than are necessary to produce the required amount of goods, it indicates two things, or more properly, two statements of the same thing. It shows that the department in question is more attractive than less-sought departments; and it shows that these less-sought departments are less attractive relative to this department. We state this in this way, because the layman ever is prone to neglect the inevitable corollary that where one channel flows over, another somewhere else runs dry. The social mechanism produces products for exchange. Those produced for direct consumption without exchange are, under our highly specialised form of life, so few practically they are negligible. For this reason, what is commonly called "overproduction" is, in reality, *underproduction*, the underproduction applying to other products,— to the channel, if you please, which is *running dry*. Does this seem a distinction without a difference? Be assured there is a difference, and a most vital one. When men are starving, during periods of great business depression, we frequently are told that it is all due to "overproduction." Now, were this a correct statement of the case, all that would be necessary to do to cure the evil, and to make every one happy, would be to *produce less*. Any one can see that this would but make matters worse. Bear in mind, please, that we are not told that the



## GILLETTE'S INDUSTRIAL SOLUTION

trouble is "overproduction" of this, that, and the other commodity, but that there is a general "overproduction." But suppose we *were* told that men were starving because too much wheat and too much corn had been produced? Would this be any more rational than to lay the trouble on general "overproduction?" Would decreasing the output of corn and wheat cure the evil? By no means. Any mind endowed even with rudimentary logical faculties is, if unprejudiced, inexorably driven to the conclusion that the so-called "overproduction" is really the result of *underproduction*. Men do not starve because there is *too much wheat*, but because there is *too little of other commodities wherewith to purchase it*, and the point we wish to force home upon the reader in this connexion is, that if there is an underproduction in certain commodities, other commodities, which normally exchange for them will begin to pile up, for the simple reason that those who long for them cannot draw them off through purchase; and this same result would follow even if the commodity which piled up *were insufficient to supply the normal demand*. Thus we are introduced to the anomalous condition of a commodity which exhibits an *actual* state of underproduction, being alleged to present a condition of overproduction ruinous to society.

It is a sorry fact that men in general, and writers of political economy in particular, are so prone to confuse mere passive relations of concomitance with the most active and vital of causes. What should we think of the man who said the members of his household were starving, because there was too much food upon the table; because there was, in short, an "overproduction" of viands? Suppose, now, certain persons were invited to a banquet where the board groaned under a luxurious repast, and suppose that, as soon as the guests were seated, they were informed, for the first time, that they were to pay for their dinner and that the price per plate was five dollars in gold, a sum which no one of them had with him. If, now, while they were all complaining of hunger, some stranger should enter the banquet hall and, observing the untouched viands, and hearing the complaints of hunger, should turn to the guests and tell them that their only difficulty was that there was too much on the table, what would they think of him? Would they think him a maniac, or a standard economist? And suppose the sympathising waiters, acting on this sage advice, began to remove everything between fish and cheese. Would the hungry guests feel their hunger appeased thereby? Would they not, with one accord exclaim; "We are not hungry because there is too much before us, but because, lacking the thing to exchange for it, we can't get it. If you wish to help us, *increase* the production of what we *lack*, instead of *decreasing* the production of what we *want*."

In a properly constituted society the production of each commodity will be just sufficient to satisfy the needs of all members of the community. In effect each individual will himself produce all he consumes, and when he has produced all he cares to produce he will stop. Men specialise upon a single line of productivity because, by so doing, their efficiency immensely is enhanced, but it must never be forgotten that each produces a thousand times as much of

## GILLETTE'S INDUSTRIAL SOLUTION

a given commodity as he himself can consume, merely because he wishes to consume an equal value expressed in a thousand other commodities produced by as many different specialists.

It will be necessary under the Gillette system, as under any other just régime, that the consumption and production of each social unit shall be equal, and that the total production of any commodity shall be sufficient to supply both the total demand and the total effective demand therefor, by which we mean that all those who desire a commodity shall be enabled to get it. If, now, some particular department is so attractive, that its output is more than is required, it means that some other department or departments, is relatively less attractive, and is producing a relatively insufficient amount of product. The Corporation, therefore, will have the option of correcting this condition of affairs by increasing the desirability of the insufficiently productive departments, by decreasing the desirability of the abnormally productive departments, or of pursuing both courses simultaneously. Indeed, in pursuing either course it will, in a measure, be pursuing both courses, since each department will react upon the others. We shall see, in the following chapter, how it naturally will tend to exercise this option.





## **CHAPTER XL**



Yes, you hate to be bought and you hate to be sold,  
And you hate to be forced to pay Shylock in gold,  
You hate the hard times, but you're bound to die game,  
You hate 'em — but you vote for 'em just the same!

You hate politicians that swagger and rant,  
You hate a good deal of the old party cant,  
And you hate a large share of the ticket you name —  
You hate it — and vote for it just the same!

You hate to be cramped in a financial way,  
And you hate giant frauds going on day by day,  
You curse in your soul the corruption you blame —  
You curse it — and vote for it just the same!

You long for good laws and prosperous times,  
And you want to see boodlers sent up for their crimes,  
You want more reforms than we've space here to name,  
But — you never vote for them just the same!

You hope for a change, and you pray for relief,  
And you swear you will bring partisan schemers to grief,  
Then you march to the polls to put blockheads to shame  
But — vote the old ticket again just the same.

*Wayland's Monthly.*

Socialism means that all those things upon which the people in common depend shall by the people in common be owned and administered. It means that the tools of employment shall belong to their creators and users; that all production shall be for the direct use of the producers; that the making of goods for profit shall come to an end; that we shall all be workers together; and that all opportunities shall be open and equal to all men.

*Ibid.*

The man who votes for HELL has no right to complain when it overtakes him.

*Frederick Heath.*

We are to witness a brotherhood of man, not because of any essential change in human nature (the character of man may remain the same) but because of the impending change in the economic relations of mankind. Under the present order our material interests are largely antagonistic. It is the conflict of economic interests which is responsible for our unseemly strife with all its deplorable results. Under the changed industrial order, with capitalism abolished, our material interests will be mutualised to such an extent that there will be little tendency to be other than brotherly.

*C. C. Hitchcock.*

I never could believe that Providence had sent a few men into the world, ready booted and spurred to ride, and millions ready saddled and bridled to be ridden.

*Richard Rumbold — Macaulay's History of England.*

A power over a man's substance amounts to a power over his will.

*Hamilton.*

There is embezzlement of power as well as embezzlement of money.

*William J. Bryan.*

Histhry is a post-mortem examination. It tells ye what a counthry died iv. But I'd like to know what it lived iv.

*E. P. Dunne.*

President Roosevelt is said to have remarked that it is a strange condition of affairs which makes it impossible for the President of the United States to mention the eighth commandment without causing a panic in Wall Street.

*Louis F. Post.*

No man is safe from the persecution of lawyers excepting a man who can hire one. Justice for a man who has no money to hire a lawyer is a barren hypothesis.

*Clarence Darrow.*

Political corruption and bribery arise from just two sources: First, from the things which the Government has to buy, such as buildings, supplies, bridges, improvements, paved streets, reservoirs, etc. Second, from the favours and special privileges which the Government has to grant, such as franchises for railroads, trolley lines, gas, electric lights, and all other "public utilities."

*Lee Francis Lybarger.*

Our death penalty is an anomaly in logic and in law, . . . conceived in ignorance, maintained by falsehood and consummated in murder; that it is inconsistent with itself, with right reason and sound morality, and repudiated by the very logic that seeks to sustain it; that in its administration we do privately that which we would not do openly, we do in part that which we would not do entirely, we do collectively that which we would not do individually, and we convict ourselves of the very crime we condemn in others.

*Thomas Speed Mosby.*

There are three stages through which every new notion in England has to pass: It is impossible: It is against the Bible: We knew it before. Socialism is rapidly reaching the third of these stages. "We are all Socialists now," said one of Her Majesty's late Ministers; and, in sober truth, there is no anti-Socialist political party. That which has long formed part of the unconscious basis of our practice is now formulated as a definite theory, and the tide of Democratic Collectivism is rolling in upon us. All the authorities, whatever their own views, can but note its rapid progress. If we look back along the line of history, we see the irresistible sweep of the growing tendency; if we turn to contemporary industrial development, it is there; if we fly to biological science, we do not escape the lesson: on all sides the sociologic evolution compels our adherence. There is no resting place for stationary Toryism in the scientific universe. The whole history of the human race cries out against the old-fashioned Individualism.

*Sidney Webb.*



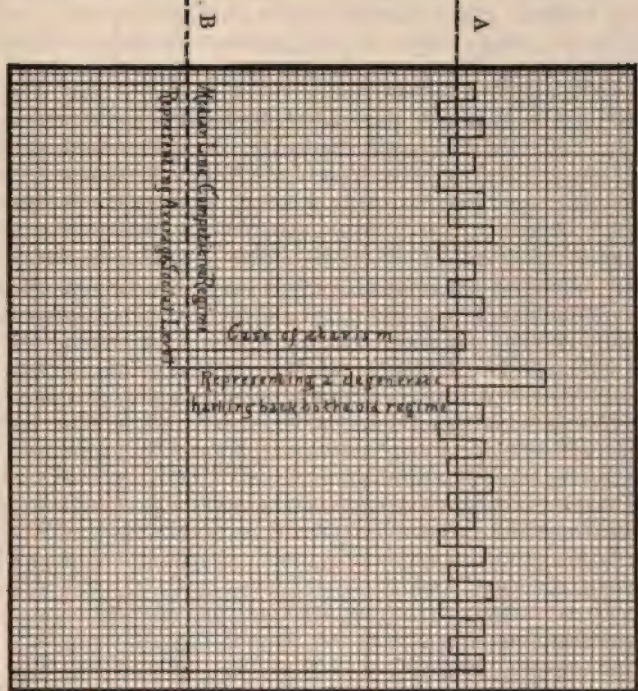
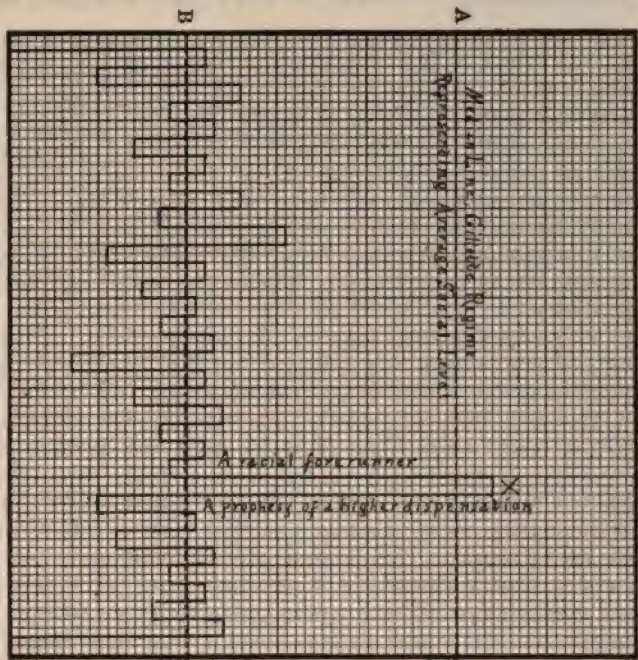
## CHAPTER XL



OF all the objections which one commonly hears voiced against the various schools of Socialism there is perhaps none more frequently heard than that which formulates itself in some such phrase as this: "Socialism is a levelling process." It never seems to occur to these critics that what they gratuitously assume to be a *levelling down* may in reality be a *levelling up*. They, as a rule, do not realise that the criticised school of Socialism may propose to leave the high heads where they are, and increase the stature of the stunted growths. For this reason their criticism loses much of its force. If, however, one explain all this to the average objector, he finds him unreconciled to the last. He refuses to be contented even with the process which levels *up* instead of *down*,—in short, he regards the human race as an onward marching army whose chiefest beauty is found in the *serrated appearance of its ranks*. The dwarf and the giant side by side is to him the *summum bonum* of all things beautiful. In order graphically to show this ideal in parallel with the ideal sought by the Gillette system we offer Chart Q. The dotted line B represents the average social level under the present competitive régime, the dotted line A representing the much higher average social level which would exist under the Gillette régime. Fig. 1 of the Chart represents graphically the personal inequality of the social units under the competitive régime. It will be noted that the individuals fall far below, and rise considerably above the median line. This wide range of variation is a characteristic of low social levels, just as a normally narrow range of variation, as at A of Fig. 2, is a characteristic of a high social level. X in Fig. 1 represents one of those individuals, some of which are found in all ages, who are far and away ahead of their time. They are the racial forerunners and promises of a higher dispensation. Fig. 2 represents the higher social level of the Gillette régime with its less widely varying individuals. It is to be noted that the average level is much higher than that of the competitive régime, and that the average variations from that level are accordingly much less. Y represents what would be a degenerate under the new régime, a case of social atavism, if you please, harking back to the competitive system. We have thought it well to put this parallel in the form of a chart, for the reason that, in many quarters, it is taken for granted that any régime which tends to result in anything more nearly approaching an equality, even though it be an equality on a much higher plane, is a thing to be discountenanced.

What is the cause of this wide-spread sentiment? Its very gen-

CHART Q





## GILLETTE'S INDUSTRIAL SOLUTION

erality points to its significance. For ages some type of competitive régime has afflicted the human race, with the result that there never has, in the history of the world, been enough, which was obtainable, to satisfy all human needs. We do not mean that Nature was niggardly, or that mankind could not produce enough; what we do mean is that most of the race were robbed of such a share of their production as left them poor indeed. The result, therefore, always has been a fierce struggle on the part of the strongest to raise themselves out of the ranks of the countless victims of this social Juggernaut. Those who could not do this were ground under the wheels, while those who had the power mounted to safety over the prostrate forms of their brothers. Century after century has this course been pursued, until it generally has come to be looked upon as Nature's method of sifting the wheat from the chaff. The fact that, if such be the case, Nature stands convicted of hopeless inefficiency, since there is, upon the average, scarcely a dozen grains of wheat in a bushel of this chaff—scarcely a dozen real successes among the thousands of failures—does not weigh with the ordinary mind; neither does the fact that it is conceivably possible so to improve the human product that the chaff shall become wheat, find entertainment in such minds. Everywhere, under our present competitive system, do we see attempts to shirk responsibilities. The rich hobo, living off the labour of others, and the poor hobo, determined to eke out an existence without work, are but extreme types between which exist innumerable variants afflicted with every phase of the get-something-for-nothing disease. Public opinion, with shame be it confessed, admires most the man who can spend the most without earning anything. On all sides the thought is common that men would not work if they did not *have to*, and that the great majority of them would shirk if they *could*. Any social scheme, therefore, which proposes to reward all men equally, or upon any other basis than that of actual service rendered, seems to the average man like giving men an invitation to shirk which they would have neither inclination nor strength to resist. That this reasoning is not sound, leaving out of consideration as it does several most vital factors, is only a matter for passing comment at this juncture, the point at present most essential being the general prevalence of this conception of affairs—a conception which is a legacy from a régime *once useful*, but long since outgrown and worse than useless—the régime of competition. The prevalence of this mistaken notion would not of necessity weigh with the World Corporation Investment Company in the establishment of its labour relations. Inasmuch, however, as there is a *natural scientific reason* for seeing to it that extra service rendered shall bring extra reward, the new system *will not adopt that "levelling process"*—whether levelling up or levelling down—which is so distasteful to the majority of mankind.

The scientific reason to which we have referred, already has been adverted to and may be restated thus. The fittest are *bound* to survive, and it should be the effort of all, who wish to bring about the highest dispensation, to labour to make those who are fittest

## GILLETTE'S INDUSTRIAL SOLUTION

for their environment also the best. In order to do this, the environment must so be modified that *those activities which are most profitable to the race shall also be most profitable to the individual*. This is but another way of saying that an exceptional service rendered shall bring an exceptional reward, and this should be the case, even though the servitor were too unselfish to desire it. Society has no higher duty to perform than that of making sure that they who render the highest social service are the best nourished and the most likely to increase and multiply. This exhibits the *radical distinction* between the Gillette system and the *present competitive régime*.

We have seen in a preceding chapter of this work, how, under the competitive system, the majority of the race are foredoomed to failure. We also have called attention to that singular natural law which makes the underfed breed faster than the properly nourished, or the overfed. Since, now under competition, the majority fail, because they are less fitted to their environment, and since these failures breed faster than their successful brethren, it follows that the *next generation* will chiefly be the *children of the failures of this*. In this way the competitive régime constantly tends to lower the standard of efficiency and, by virtue of this human degeneration, it tends to its own suicide. Under the Gillette system the fittest to survive will be the *best*, and the *least efficient* of mankind will be enabled to secure enough abundantly to satisfy all their purely physical needs. This will prevent the action of that natural tendency which makes the ill-nourished breed rapidly—a tendency by which Mother Nature seeks to make up in numbers for the low efficiency of her children. This tendency no longer existing, those other tendencies which operate to give the race to the swiftest or best fitted, will bring about an increasingly higher standard of human life. Deprive a man of those amenities which stimulate the mind and the soul, and all the currents of his being will run into charnel channels, with the result that he will tend to have many children, who in turn will also tend to be like unto himself. Man, like society, has at any one time within himself a definite amount of vital force. With him, too, if one channel runs over, another runs dry. The ideal point to be attained is a normal healthful flow in *all* channels.

We have said that the new system would not, for reasons given, bestow equal rewards for unequal services, and we have now to add that it will not be its policy to restrict the amount of service of any one of its members. It is for the social good that each individual shall attain the highest possible productive and the highest possible consumptive efficiency.

It is fitting here to call the reader's attention to the fact that the attainment of the highest *consumptive* efficiency will act as a check to prevent the pushing of *productive* efficiency beyond the limits of the greatest possible human happiness. Furthermore, it is well to add that the Gillette system is not a competitive régime and that, therefore, the great productivity of one man cannot operate, as now it sometimes does, to take the bread from another



## GILLETTE'S INDUSTRIAL SOLUTION

man's mouth. How it will operate to raise individual efficiency, to secure perfect justice, and to attain a maximum of human happiness will be seen in the next department of this work.

Returning now to a consideration of the means whereby the World Corporation Investment Company will regulate, in its intermediate stage, the production of its various departments, we may say that two methods at once will occur to the thoughtful reader. The first of these is to lengthen the hours of service in that department which is too popular, and to decrease them in that department which is too unpopular. The second means is to lower the rate of wages for the same service in the too popular department, and to raise it in the too unpopular department. The first of these methods is open to several serious objections, only the most apparent of which we need take time to cite.

If the hours of service were increased in the department whose productiveness was already over large, this very act would further increase its productivity, unless its standard of efficiency were lowered. To lower such standard of efficiency would be wasteful, and, since all waste invariably means decrease of human happiness, all waste is *wicked*, and all methods tending to produce it would, like this one, be *wrong*. The Gillette system, accordingly, will not adopt the first of these alternatives.

Nothing, therefore, but the second remains, and this is the plan which the new system will follow. It is to be noted, however, that in pursuing this plan it does not resort to any *levelling* process, neither does it take away *individual incentive*, and so tend to lower human efficiency. The new system diagnoses the condition of a department which is drawing to it an undue number of workers as being thus attractive, because it presents an unfair advantage in the matter of exchange of service, and therefore it proceeds to equalise these exchange values. How will it bring this about? Let us suppose the industry of shoe manufacture were too popular; that too many qualified applicants were daily demanding admission to the shoe factories. The management of the industry *would admit all these applicants* and set them to work, and it would then begin to reduce the price paid for each separate product entering into the shoe, as nearly as possible in accordance with the ratio of the labour-surplusage engaged in the production of *that particular part*. Suppose, for example, that part of the shoe industry working upon uppers was too attractive, while that part working upon heels was normal, and that working upon soles was subnormal. The price paid per heel would remain unchanged; the price paid for soles would be increased; the price paid for uppers would be decreased. During this transition stage of the World Corporation Investment Company, and indeed up to the time it had acquired practical control of the entire shoe industry, it would be impossible for its officers to regulate production with *absolute* accuracy. As we already have pointed out, the accuracy of this regulation would increase with every new concern absorbed in any given industry and, therefore, during this transition state, the aforesaid changes made in price for the purpose of regulating the supply, would of

## GILLETTE'S INDUSTRIAL SOLUTION

necessity result from the more or less fallible judgment of its officers. The policy pursued, therefore, naturally would be tentative. If a price-reduction failed to act as a sufficient deterrent, the price would be further reduced. If a given rise in price did not constitute a sufficient inducement, a further rise would be made. As the Corporation spread its operations over larger and larger areas, a way would be found to *eliminate fallacious human judgment* and to make this regulation of production *perfectly automatic*. The way in which this will be done will be shown in a succeeding chapter. Our present purpose merely is to exhibit *tendencies* which will begin to make themselves felt in the middle stage of the new régime.

It is, however, to be noted in this connexion that, since operators working upon shoe uppers, let us say, will find their wages decreased, perhaps, a fraction of a cent per upper, owing to the attractiveness of their department, they will not in the least be deprived of their incentive to turn out as many uppers of the grade required per unit of time as possible. The slight decrease in price per upper will be, to any individual worker, an almost *negligible* quantity, while a decrease in the *number of uppers he produced would materially affect his earnings*. Indeed, among the more ambitious, a fall in price per upper would be compensated for by a slight increase in productivity. At all events this would be the tendency at first, among those having the highest grade of efficiency.

If that which quickly would suggest itself under a competitive régime were possible under coöperation—if, in short, it should occur to these makers of shoe uppers that, if they entered into a conspiracy with each other and decreased their productivity, the price for their work would rise; their scheme would be nipped in the bud by reason of the fact that the loss by the decreased number of uppers made by each individual would more than swallow up any slight increment in price occasioned by such decrement, coupled with the further fact that conspirators who would make such a covenant would be reasonably sure to break it, and to try to produce more than ever, in order to reap a rich harvest as soon as the price advanced. If these were not sufficient deterrents, they would realise that this very rise in price would bring about an influx of new workers into their department, from which would follow a more than counterbalancing decrease in price, which would leave them worse off than ever, since, by their attempt to produce an unjust *rise* in price, they would have brought about a condition actually requiring a *fall* in price.

It must be remembered that many of those working upon other parts of a shoe would be quite capable of making uppers, and that they inevitably would gravitate into that department as soon as it offered an advantage over their own. Men would say "I can make more on uppers at that price than I am now getting for heels," and would quickly change their department. Thus we see that while, under the Gillette system, no such sharp practices as combinations in restraint of production would be at all likely to occur,



## GILLETTE'S INDUSTRIAL SOLUTION

they would *punish only those who engaged in them* if they *did* occur. To pay a man according to the service he renders, is to make of every man essentially a piece-worker. There are, it is true, some occupations where the product readily cannot be measured in detached increments, but even here the *principle* is the same. Each and every man who serves society renders to society the equivalent of a certain number of happiness units, and whether these units are expressed in the form of a boot, a poem, or a picture, he is, to all intents and purposes, a piece-worker, just as much in the one case as in the other. *The real service is the rendition of the equivalent of happiness units*, and, by a unit of happiness, is meant a definite intensity of pleasure continuing for a definite length of time. The same number of happiness units expressed in the form of a bouquet, or an oration are of *precisely the same value* as a similar number expressed in the form of potatoes or plumbing. Certain products may have a higher standard than others. Art may take precedence over clam-digging, but it can only do so, if it have a *greater number of happiness units*. All differences, no matter how radical they seem, are, when reduced to the common denominator of happiness units, found to be *differences in amount, not in kind*.

## **CHAPTER XLI**



Five men, . . . can produce bread for a thousand. One man can produce cotton cloth for two hundred and fifty people, woollens for three hundred, and boots and shoes for a thousand. One would conclude from this that under a capable management of society modern civilised man would be a great deal better off than the cave-man. But is he? Let us see. In the United States to-day there are fifteen million people living in poverty; and by poverty is meant that condition of life in which, through lack of food and adequate shelter, the mere standard of working efficiency cannot be maintained. In the United States to-day, in spite of all your so-called labour legislation, there are three millions of child labourers. In twelve years their numbers have been doubled.

*Jack London — The Iron Heel.*

A power has risen up in the government greater than the people themselves, consisting of many and various and powerful interests, combined into one mass, and held together by the cohesive power of the vast surplus in the banks.

*John C. Calhoun.*

I see in the near future a crisis approaching that unnerves me and causes me to tremble for the safety of my country. . . . Corporations have been enthroned, an era of corruption in high places will follow, and the money-power of the country will endeavor to prolong its reign by working upon the prejudices of the people until the wealth is aggregated in a few hands and the Republic is destroyed.

*Abraham Lincoln.*

The railroads control absolutely the legislatures of a majority of the states of the Union; they make and unmake United States Senators, congressmen, and governors, and are practically dictators of the governmental policy of the United States.

*Report of the New York Board of Trade.*

The unrest in Europe, the spread of Socialism, and the ominous rise of Anarchism, are warnings to the governments and the ruling classes that the condition of the working classes in Europe is becoming intolerable, and that if a revolution is to be avoided some steps must be taken to increase wages, reduce the hours of labour, and lower the prices of the necessities of life.

*Lord Avebury.*

It was at the very beginning of the twentieth century A. D., that the international organisation of the socialists finally formulated their long-maturing policy on war. Epitomised, their doctrine was: "*Why should the workingmen of one country fight with the workingmen of another country for the benefit of their capitalist masters?*"

On May 21, 1905, A. D., when war threatened between Austria and Italy, the socialists of Italy, Austria, and Hungary held a conference at Trieste, and threatened a general strike of the workingmen of both countries in case war was declared. This was repeated the following year, when the "Morocco Affair" threatened to involve France, Germany, and England.

*Jack London.*

For the man that loves much is a Socialist, and the man that loves most is a Saint, and every man that truly loves the brotherhood is in a state of salvation.

We know that we have passed from death unto life,  
Because we love the brethren.

*Rev. Percy Dearmer, M. A.*

Private property, as now understood, and inheritance, appeared to me, . . . the *dernier mot* of legislation: and I looked no further than to mitigating the inequalities consequent on these institutions, by getting rid of primogeniture and entails. The notion that it was possible to go further than this in removing the injustice — for injustice it is, whether admitting of a complete remedy or not — involved in the fact that some are born to riches and the vast majority to poverty, I then reckoned chimerical, and only hoped that by universal education, leading to voluntary restraint on population, the portion of the poor might be made more tolerable. In short, I was a Democrat, but not the least of a Socialist. We were now much less Democrats than I had been, because so long as education continues to be so wretchedly imperfect, we dreaded the ignorance and especially the selfishness and brutality of the mass; but our ideal of ultimate improvement went far beyond Democracy, and would class us decidedly under the general designation of Socialists. While we repudiated with the greatest energy that tyranny of society over the individual which most Socialistic systems are supposed to involve, we yet looked forward to a time when society will no longer be divided into the idle and the industrious; when the rule that they who do not work shall not eat, will be applied not to paupers only, but impartially to all; when the division of the produce of labour, instead of depending, as in so great a degree as it now does, on the accident of birth, will be made by concert on an acknowledged principle of justice; and when it will no longer either be, or be thought to be, impossible for human beings to exert themselves strenuously in procuring benefits which are not to be exclusively their own, but to be shared with the society they belong to. . . . Education, habit, and the cultivation of the sentiments, will make a common man dig or weave for his country, as readily as fight for his country.

*John Stuart Mill — Autobiography.*



## CHAPTER XLI



BEFORE proceeding to a consideration of the Gillette plan for social redemption when it is in full operation, let us briefly review the evolution of the system up to this point.

We have seen that the system exhibits a growth so natural, so like that of a healthy plant, that it was thought wise to present it to the reader in three sections more or less overlapping each other. Section 1 was called; The Planting of the Seed. Section 2; The Plant in Process of Growth. These two sections have been put before the reader. Section 3, which remains to be treated, is designated; The Plant in Full Fruitage. We are now briefly reviewing sections 1 and 2. In treating these departments it was made clear to the reader that only the larger masses would be dealt with at first, all details being left for future consideration.

It was made plain that the fundamental purpose of the Gillette system is the amelioration of human suffering and the increase of human happiness, both conditions to be brought about through a change in the social régime. Among other things, it was pointed out that this change would so transfigure labour and emancipate labourers, that work would take on the attributes of play. In bringing about this result the new system does not intend that any particular class shall be considered as the cause of the present cruel régime, and, therefore, discriminated against, but rather that any temporary sacrifices which may be made for the greater good of all shall be distributed among all mankind.

It is pointed out that where a tentative policy can safely be followed it will be adopted, but that certain things, which are vitally necessary to protect the people from exploitation, as for example, a practical, available Initiative, Referendum and Power of Recall, will be specifically and irrevocably adopted.

The reader is informed that, after the publication of this work, a business prospectus is to be issued and a Corporation organised to be known as the *World Corporation Investment Company*, the capital originally to be \$100,000,000 divided into shares of one dollar each. The officering of this Corporation, and the methods of its elections, are briefly adverted to. It is stated that the immediate purpose of the organisation will be the accumulation, by outright purchase, of thoroughly safe, dividend-paying securities estimated upon a basis of actual value by the Finance Board of the Organisation. It is provided that these securities purchased shall not be parted with, except upon a vote of at least seventy-five

## GILLETTE'S INDUSTRIAL SOLUTION

per cent. of all the directors of the Organisation, ratified and approved by not less than a like per centum of its Finance Board.

It is explained that a Holdings Company is to be organised at the same time with the Investment Company, and that the chief function of this Holdings Company is to create a sinking fund for the needs of the Investment Company. All the stock issued by this Holdings Company is to be held directly by, or in trust for, the treasury of the Investment Company. A method is explained, whereby the stock in the Investment Company may be purchased at any time, if agreeable to the Holdings Company and the owners of said stock, and which, at any time after five years from its date of issue, may be purchased at its par value by the Holdings Company with, or without, the consent of the owners of said stock. The method by which the sinking fund is created is briefly described, and it is shown that by this method all the shares of the Investment Company may be repurchased, and the industries represented by its stock given to the people, without discrimination and without inflicting any loss or hardship upon any stockholder.

The reader is shown just why an investment in the new Corporation will be safer and, in the long run far more remunerative, than any other conceivable investment. This safety, it is shown, is due to the doctrine of averages upon which insurance is founded, and to the superior business sagacity and care of the ablest Finance Board which can be gotten together.

The vital point is made that, when mankind becomes a single solidarity, what we now know as business losses entirely will disappear, and the only other kind of possible loss—that resulting from wealth destruction, as by fire, flood or earthquake, will not be individually felt, because, when distributed throughout the world, it will spread itself so thin as to be a vanishing quantity, on the one hand, while on the other, it will ever tend to be offset by the unexpected productivity of some other world-area. What is commonly called business losses, it is shown, are not, strictly speaking, losses at all, so far as society is concerned. They are mere *displacements of wealth*. They are only losses from the petty, individualistic standpoint of our present competitive régime.

The reader is shown how the World Corporation Investment Company will prevent all speculation in its stock. How this stock cannot be cornered, because the Corporation will indefinitely increase the number of its shares from time to time; and how these shares never will be sold for less than their par value, by reason of the fact that, under all ordinary circumstances the Holdings Company will buy them at that figure, it being the purpose of the Holdings Company ultimately to secure every share issued by the Investment Company,—a purpose which is one of the cardinal features of Mr. Gillette's plan. It is pointed out, in this connexion, that in thus rendering shares ordinarily redeemable upon demand, not only the rich man, but even the day-labourer, will be enabled to avail of this great investment, without placing his money even temporarily beyond his recall, should unforeseen circumstances render it necessary that he should have it.



## GILLETTE'S INDUSTRIAL SOLUTION

It plainly is stated that the Corporation would meet any attempt to use this provision, for the purpose of injuring it or getting control of its machinery, by a refusal to purchase any shares offered it, or believed to be offered it, with such intent.

The payment of dividends, and the application of the earnings of the Investment Company are next treated, and a chart is submitted graphically to show the reader that the conception of acquiring, by purchase, the total wealth of the world within a very short time is no Utopian dream.

Truly "our grandfathers left us nothing!" We live a hand-to-mouth existence. The charts submitted show that, under proper conditions, less than sixty per cent. of the population of the United States can produce all the real wealth of the country in less than nine months, from which the reader is expected to see that, under Mr. Gillette's plan, the workers of the world speedily could purchase all its wealth, and thus control the entire machinery of production, coming, for the first time in history, into full possession of their own.

The next chapter considers the new plan in its psychological and sociological trend. It shows how a spirit of comradeship will be developed among all the members of the Corporation. It makes a point of the fact that a *community of interest draws men together, Christianising and socialising* them, just as under the competitive system an *antagonism of interest drives men apart, paganising and brutalising* them.

It is explained how competition *individualises* desires and their satisfactions, while the new system *generalises* desires and their satisfactions. It asserts that competition, far from being Nature's ultimate method, was a mere rudimentary makeshift of evolution, the usefulness of which long since ceased, and it points out that the essential ethical difference existing between various social systems, — whether actual or hypothetical, — may best be stated in terms of the size of the aggregate which determines human actions within the system in question. *The larger, the more highly generalised this aggregate, the nobler and more highly evolved the system.* The largest conceivable aggregate within practical reach is the whole human race — the aggregate which determines activities under the Gillette social system. The smallest and meanest aggregate which has ever been a factor in social life, is the one-person aggregate of the competition of savagery. Our present competition receives its motive impulses from an aggregate usually but a trifle larger, and often *no* larger, than that dominating the ethics of the competitive jungle. Family considerations often; local considerations sometimes; national considerations seldom; and racial considerations all but never — form a factor in determining the size of the aggregate to which human actions are referable under our present competitive régime.

The reader is shown how, under the new system, a sort of free-masonry, along certain lines, would spring up among the members of the new organisation, and how, as this organisation widened its field of activities, this sentiment of fellowship, — this sympathy, —

## GILLETTE'S INDUSTRIAL SOLUTION

this comradery and community of interest — would deepen and extend until, in the end, it involved *every man upon every side* of his personality. Attention is called to the fact that, even under the existing régime, the philosophically inclined are able to point out the rudimentary beginnings of such an evolution. The evolutionary reason why perceived likenesses draw men together, while unlikenesses, whether real, fancied or over-accentuated, force men apart, is stated at some length, and it is shown, in this connexion, how morally regenerating will be the influence of the new system.

Returning to the economic consideration of our topic, production and distribution are discussed both in their colloquial and their economic sense. The social mechanism is treated as a machine which, if out of order, must be repaired after the fashion of any other machine. The reader is told that the human race is at present *production mad*; that we are so crazed over making things that we are unable properly to consume them, and that, since a high consumptive efficiency is an absolute essential to a high condition of happiness, and since happiness is the legitimate end of life, the lowering of consumptive efficiency, for the sake of raising productive efficiency, is the rankest kind of folly. Production has no reason for *existence*, except to make consumption possible.

The Gillette system effects a perfect juncture with the present system as it exists, and then undergoes a gradual evolutionary differentiation from these conditions. The reader is shown how, as the shareholders in the Investment Company increase, the officers in this Company and in the Holdings Company will also increase in number, and how the two Directorates and the two Finance Boards will sit as a joint Board, to be known as the World Corporation Congress.

The effect which will be produced upon the price of securities by the action of this Finance Board is adverted to, and it is made clear that the endorsement of a security by its purchase under the recommendation of this board, would not cause that security to be the "cynosure of all investing eyes." It is pointed out, in this connexion, that the shares in the World Corporation Investment Company would be considered so much more valuable than any other securities,—due to their large "earning" capacity and their freedom from risk,—that they will tend to deprive other securities of their speculative value. It is prophesied, indeed, that a time will come in the affairs of the Investment Company, when the securities of other corporations upon every hand will be urged upon it. That there are a large number of securities which would be entirely worthless under the new system, and which, therefore, would not be purchased by it is briefly set forth.

It is further explained how the new system will be able to show the large returns claimed for it, and how it will give rise to an efficiency — both productive and consumptive — never before known in the history of the world.

Adverting to our present financial system, it is described as a veritable house of cards. In illustration of this fact the present money panic is referred to. Gradually the reader is led up to the



## GILLETTE'S INDUSTRIAL SOLUTION

point where the Investment Company has extended its operations to such an extent that the purchasing power of its money might materially be enhanced.

The golden rule of competition—*let the other fellow look out for himself*, is contrasted with the Christian Golden Rule, and the power of environment in the determination of human growth along all its lines, is shown to be great almost beyond belief. The point is forced home by a botanical illustration and the chapter closes with a postulate that practically everything, in the largest sense, is due to environment.

The next chapter opens with a consideration of the labourer under the new system in its middle stage. It is shown how it will be most natural for the Corporation to wish its employees to do that which they can do best, and which, for that reason, they *like* best. It is pointed out how, from this shifting from one department to another, there naturally will grow up a sort of system of examinations. After stating that wages will at first be paid in the form of money, most of which promptly will come back to the Corporation in exchange for its stock, it is explained how, after a time, these stock certificates will become the *real* measure of value and the real representative thereof, until, among members of the Corporation there ultimately will be little use for what we now know as money, except for the purpose of buying shares, so long as they are to be had. The commodity-nature of money is predicated, and the statement made that, if men generally should come to desire something else more than they covet what we now know as money, that *something else* would be the *real* money, and our present money would drop to the level of a secondary commodity. It is pointed out how, by mutual understanding, members of the World Corporation Investment Company may come to do away entirely with money, as we now know it.

A digression here is made to answer a question which might arise in the reader's mind; that question being, "What is to hinder the officers of the Corporation from becoming autocrats with the power to give or to withhold employment, at their own sweet will?" Leaving details for future consideration, the broad masses of a system rendering such an outcome impossible are briefly sketched in. The reader is told that, as the Corporation enlarges so that the structure of its various departments becomes a complex mechanism, it will be the general purpose of the system to make each of its departments self-governing, to as great an extent as seems practicable.

The effect upon the amount and the quality of production, which will follow from the fact that every worker is immediately and vitally interested in the quantity and quality of the product of his shopmates and benchmates, thereby establishing a public opinion more cogent than any code of laws possibly could be, is plainly set forth. The power of the World Corporation Investment Company to affect land values is next adverted to. It is explained how, since the new Corporation will address itself to every race upon the planet,—entering all the exchanges of the world for the pur-

## GILLETTE'S INDUSTRIAL SOLUTION

pose of buying securities,—it will be necessary for each and every nation to purchase such shares as shall give it a fair representation upon the governing boards of the Corporation, if it would avoid the risk of having its industrial machinery run by foreign engineers.

It is shown how, in the natural attempt to attain the highest possible productive and consumptive efficiency, the new system inevitably will develop an educational régime, which will take the individual at the kindergarten stage and educate him, and *keep educating him*, to the end of his days. The effect of such a régime is contrasted with our present educational system.

In the next chapter what is known as "the law of supply and demand" is discussed and certain errors in the common reasoning based thereon are pointed out. In this connexion, reference is made to what is frequently miscalled "overproduction," and the point is brought home that the tendency of a competitive régime is perpetually to misrepresent both the supply of, and the demand for, a given commodity. This is illustrated at some length. It is shown how, under the new régime, all incentive to such soul-searing deception will disappear, and how, as the Corporation increases its efficiency, it will be better and better able to regulate the exact supply of commodities needed in any department.

It is shown how this gigantic Corporation will have a sort of corporate brain answering to the needs of every man who forms a cell in its colossal body.

Next is considered the supply of, and demand for, labour. Several ways of regulating this are mentioned, some of which the new régime would refuse to entertain, if for no other reason than because they are unjust. It is pointed out that a just society can consider only results—services rendered, if you please—and cannot be affected in its distribution of rewards merely by good intentions. What commonly is called "overproduction" again is adverted to and illustrated by a hypothetical case. It is predicated that, in a properly constituted society where each part would be intimately correlated with all the other parts, just enough of each commodity would be produced to satisfy the needs of all members of the community, for the simple reason that, in the last analysis, each individual will produce just what he consumes, stopping his work as soon as he gets enough. The means by which the organisation brings about this result are left for the next chapter. In approaching the matter in hand, this next chapter first refers to what is sometimes called the "levelling process" of Socialism. The reader's attention is called to the fact that those who thus criticise Socialism seem to forget that a thing may be *levelled up* as well as *levelled down*, and a diagram is given to illustrate that the elevating process of the Gillette system is *not a levelling process* in any sense that *these* critics use that term.

Pains are taken to make it clear to the reader that there is no "levelling process" forming a part of the Gillette system, which enables a man to trade a small service for a big one—to get large pay for little work—while others get little pay for a large amount of work. Under this perfectly just régime of the new system,



## GILLETTE'S INDUSTRIAL SOLUTION

should any man shirk, he will pay the price of his shirking. It is pointed out that there is an additional scientific reason why the new system should see to it that extra service rendered should always bring extra reward, and this reason is briefly stated.

It is shown, how, by virtue of a natural law, the present competitive régime operates to make the majority of each generation the children of the failures of the preceding generation. It is pointed out that, in this way, a competitive régime, through this human degeneration, constantly tends to lower the standard of efficiency, — which is to say that such a régime tends to its own suicide. Under the Gillette system the fittest to survive also will be the best.

Having noted that the new system will not bestow equal rewards for unequal services, this chapter proceeds to call attention to the fact that the new Corporation will not restrict the amount of service of any one of its members. It is to be remarked that those considerations which have impelled men, living under a competitive régime, to wish for such restriction, will not obtain under the new system. Here a perfectly just exchange of products prevents the large producer from getting from the small producer, — (if we may be pardoned for expressing our thought in terms of individualism) any more than he gives to the small producer. The only conceivable reason for restriction of production, which could operate under the new régime, would be some pathological case like unto that which is epidemic to-day, but which would be as rare as leprosy under the new system — a case where some mentally diseased social unit, — some case of atavism, harking back to competitive experiences, — should push his productivity to such an extent that it interfered with his fullest consumptive efficiency. In such premises the new system might interfere, since it will invert the present order of things, and be as jealous of consumptive efficiency as we fetish worshippers of production are now of productive efficiency.

After discussing various ways by which the new Corporation might, in its intermediate stage, regulate production, the reader is told that it will be the policy of the Corporation to govern the relative productiveness of its various departments by a change in the price paid for the products, this change being an increase in those departments showing a deficit, and a decrease in those showing a surplus.

All who wish to work in any department will, provided they can do the work, be admitted, even though that department already shows a surplus. The new régime will be a *democracy*, and the *dictum of a democracy is final*. That this point needs emphasis is instanced by the fact that there are thousands to-day, who call themselves thinkers, and yet who contend that, if the people be allowed to rule themselves direct, they will produce an inferior form of government; as if the people have not a *perfect right to have* an inferior form of government *if they want it*. Any one, who can think, ought to be able to see that, given a free rein, the people would ultimately produce the best possible form of government, by virtue of the fact that, since everybody is wiser than anybody, everybody must know more than any *part* of everybody. But,



"I hold, if the Almighty had ever made a set of men that should do all the eating and none of the work, he would have made them with mouths only, and no hands; and if he had ever made another class that he had intended should do all the work and none of the eating, he would have made them without mouths and with all hands." — A. Lincoln.

*Moonblight.*— Dan Beard.



## GILLETTE'S INDUSTRIAL SOLUTION

even if this were not so, the people would produce the kind of government they wanted, and that would be all that would be necessary. *By what right does the minority presume to tell the majority what is good for them?* The new system would not presume, therefore, to tell any man that he had not a right to enter any department he chose, and for the work of which he was fitted, on the ground that that department already was full. Any tendency to "overproduction" or to underproduction which this freedom might cause, would, as is shown, be checked by a change in the price paid for labour in the various departments in question. In this intermediate stage of the system this change might be more or less arbitrarily determined, but when the system is in full operation, it will automatically be determined, without the introduction of any personal equation. The objections which might arise in the mind of the casual reader, steeped as he is in competitive thought, are met at some length, and it is shown that deception and conspiracy would be practically impossible, and that there would be no tendency whatever for a worker to "soldier" under the new régime. No man would be required to work at anything he did not wish to work at, nor for a longer time than he wished to work, but when those who make up our present rich and poor hobo fraternity, find that they can consume only the exact value which they create, one of two things will happen. Either they will work at least the average length of time, or they will consume less than the average rate of consumption. It will be noted, in this connexion, that the new régime has taken good heed of the warning of Abraham Lincoln, graphically illustrated in the accompanying cartoon, which we copy from the first volume of this work.

The attempt is made to make it plain to the reader that all values will be labour-values, and that their utility, from society's standpoint, is measured by the number of happiness units they contain. If art takes precedence over clam-digging, it simply will be because it contains a greater number of happiness units, all seeming differences in kind of output, however radical they may appear, being found, in their last analysis, to be not differences in kind, but only in amount.

## CHAPTER XLII



How to live?—that is the essential question for us. Not how to live in the mere material sense only, but in the widest sense. The general problem which comprehends every special problem is—the right ruling of conduct in all directions under all circumstances. In what way to treat the body; in what way to treat the mind; in what way to manage our affairs; in what way to bring up a family; in what way to behave as a citizen; in what way to utilize all those sources of happiness which nature supplies—how to use all our faculties to the greatest advantage of ourselves and others—how to live completely? And this being the great thing needful for us to learn, is, by consequence, the great thing which education has to teach. To prepare us for complete living is the function which education has to discharge; and the only rational mode of judging of any educational course is, to judge in what degree it discharges such function.

*Herbert Spencer,—Education.*

True science and true religion are twin-sisters, and the separation of either from the other is sure to prove the death of both. Science prospers exactly in proportion as it is religious; and religion flourishes in exact proportion to the scientific depth and firmness of its basis. The great deeds of philosophers have been less the fruit of their intellect than of the direction of that intellect by an eminently religious tone of mind. Truth has yielded herself rather to their patience, their love, their single-heartedness, and their self-denial, than to their logical acumen.

*Thomas H. Huxley.*

A consciousness that works backward, a personal modification of conduct based on the forced retention of more primitive conditions and ideals, this has been, and still is, one of the heaviest drawbacks to human progress.

*C. P. Gilman—Human Work.*

Third Fisherman: "Master, I marvel how the fishes live in the sea."

First Fisherman: "Why, as men do a-land. The great ones eat up the little ones. I can compare our rich misers to nothing so fitly as to a whale, 'a plays and tumbles, driving the poor fry before him, and at last devours them all at a mouthful; such whales have I heard on 'o the land who never leave gaping till they have swallowed the whole parish, church, steeple, bell and all . . ."

Third Fisherman: "If the good King Simonides were of my mind, he would purge the land of these drones that rob the bee of her honey."

*Shakespeare—Pericles, Prince of Tyre.*

## CHAPTER XLII



WE have now to consider the Gillette system for social redemption in its full fruitage. We must imagine the World Corporation Investment Company as having secured control of all the industrial arteries of the body politic. This body politic will include all nationalities, and will comprise practically the entire human race. We must think of those natural tendencies which were discussed in the preceding part of this book as having evolved *pari passu* with the Corporation itself. That, therefore, which merely showed colour in the bud in section two, will be found in full blossom in this closing portion of the work. Here, as elsewhere, it must be remembered, the policy of the Corporation will be tentative in those matters which are relatively unessential, while it will be definite and fixed with respect to those other factors which are of vital concern, with regard to the life of the system, and the complete democracy of its institutions.

We also must bear in mind that, as there was no sharp line of demarcation separating section 1 from section 2, so there will be none between section 2 and section 3. Evolution is a gradual process. Its effects are not apparent at lines, being only discernible over areas. There will be, therefore, no point at which one might say; here the Gillette plan passes from its second into its third section. Since, however, we are now treating the system as well developed, we may imagine ourselves well across that border-land area separating the second and third sections. From this vantage ground let us pause a moment and look about us. What are the broadest generalities which first would challenge this cursory glance? The first thing which would attract the eye would be the entire change in the physical aspect of things, supposing, as we must suppose for the sake of our illustration, that we had exercised good judgment in choosing our location. We should look out upon one of the cities which had rapidly grown up under the magic spell of a revitalised social life. Indeed, it is doubtful if we at first should realise that we were in a city, since it would be so widely different from anything we had known under the old competitive régime. It must be borne in mind that we are imagining an observer who is transferred to the midst of the new system from the midst of our present lack of system. To such an one the term "city" would call up definite associations linked with his experiences under a competitive régime. As the result of these experiences his conception of a city would doubtless include alternations of densely populated areas and areas held out of use. The chart which we give herewith, taken from the first volume of



## GILLETTE'S INDUSTRIAL SOLUTION

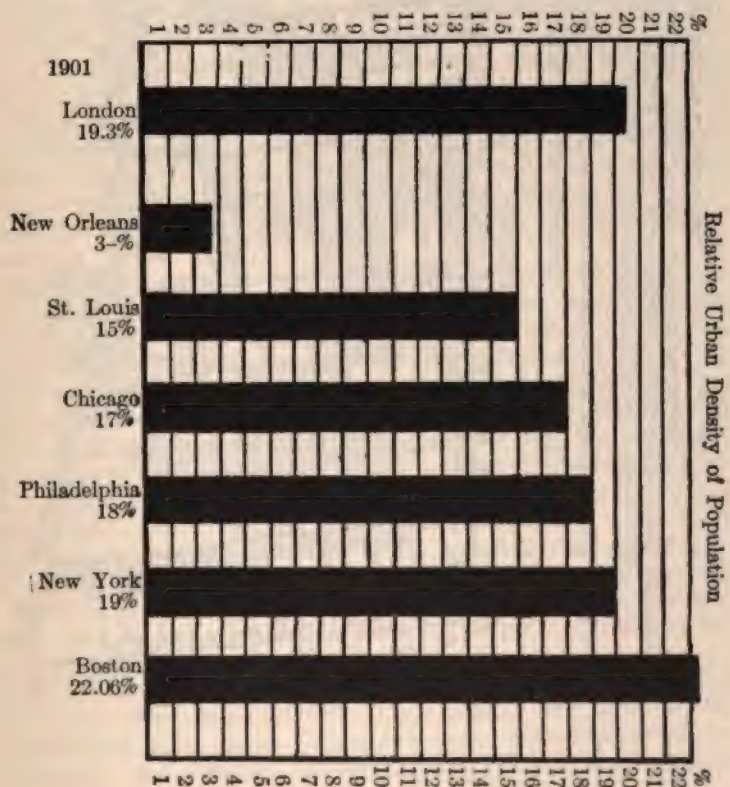
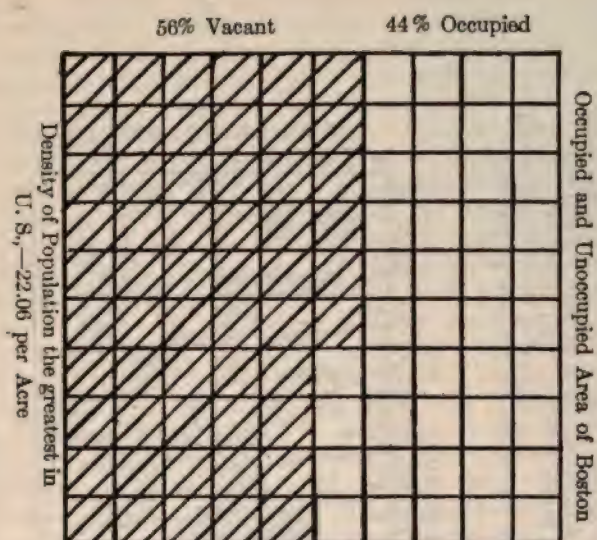
this work, would be a fair representation of his natural expectations with regard to overpopulated, unpopulated and underpopulated areas, as for example, Boston, shown in the left-hand diagram to be 44% occupied, and 56% vacant, while having the greatest average density to be found in the United States, to wit, 22.6 per acre.

The buildings of our observer's preconceived city would be ill-assorted, and if not architecturally hideous in themselves, as is more than likely to be the case, an equally unpleasant effect would be produced by an architectural dissonance,—a stone, wood and brick discordance,—harsh and unpleasant in the extreme. Inseparable from his conception of a city would be those garish evidences of wealth and poverty, ostentation and servility, sybaritic selfishness and hopeless squalor, which to-day make up the chief sum of urban life. On the one hand a "Lung Block" like that exhibited in the accompanying diagram (reproduced from the first volume of this work) into which are crowded, like sheep in a cattle car, nearly four thousand human beings, a large per cent. of whom are foredoomed victims of the terrible White Plague; and, on the other hand, palatial, hotel-like edifices, having so many sumptuously furnished rooms that the owners are unable to occupy them, despite the retinue of servants which result from their combined affluence and insufficiency.

Everywhere would our observer expect to find a hurrying and scurrying, an eager pursuit of money, or of those things which money buys. Dirt and dust would be in the streets of his preconceived city, competitive strife in its shops, and over all, like a thought-smothering panoply, a perfect jargon of soul-racking noises. Lumbering teams full of bar iron; express wagons heavily laden; coal teams, pleasure wagons, automobiles and foot passengers, would all compete for the use of its dirty and unattractive streets. Elevated trains would make this pandemonium still more dissonant.

Everywhere the eye would meet unattractive walls, decorated in the grime of soft coal, with possibly now and then a glint of green in some hand-patch of a public square. The commons of the city would impress the eye as being out of place and but little used, conveying to the observer the ineradicable feeling that the land-lust was greedily licking their edges, in the hope soon to be able to devour their interiors. Bill-boards, with offensive egoistical legends of all sorts expressed in a jargon of colours, and a nightmare of forms, would assail the eye with a discordance fitly matching that which split the ear. As a sample of these ennobling advertisements of a competitive régime would linger memories which would voice themselves something like this: "None genuine without the name of Smith on every can." "If it isn't Jones's it's a fraud." "Beware of Imitations. Unscrupulous men are counterfeiting Brown's products. Look out for the Trade-Mark on every package. No goods pure without it, etc., etc."

The psychic air of the city under the competitive régime is not so easy to describe, but sensitive souls feel it none the less for all that. They find themselves as lonesome in that dollar-mad-ant-hill scramble of Broadway as they would be in the middle of the







Ground Plan of "Lung Block."

The shaded sections are courts and air-shafts. Each letter represents one case of consumption reported to the Health Department since 1894.

a = one case in 1894. b = one case in 1895. c = one case in 1896, and so on to k = one case in 1903.

(As it is not possible from the records to tell whether a given case occurred in the front or rear tenement, all have been assembled in the front building, except in 144 Cherry, where there was not room).

Reproduced from "A Handbook on the Prevention of Tuberculosis."

## GILLETTE'S INDUSTRIAL SOLUTION

Desert of Sahara. Such are the conditions from which the ordinary victim of the competitive régime forms his conceptions of urban life. Small wonder is it, therefore, that, when we imagine him suddenly transferred into the midst of a city built in accordance with the conceptions of the Gillette system, we find it difficult to explain the wonderment which possesses him. He would not think he was in a city at all, but probably would consider that he had been spirited, in some mysterious way, into a rare assemblage of Lucullan villas. The beauty of the architecture; the marvellous ensemble effect produced by the various structures; the great stretches; the musical splash of the fountains; and the seductive odour of flowers, of lawn and garden, inevitably would lead him to regard the whole thing as the structural dream of some multi-millionaire. The absence of noise, of dirt, of hurry and scurry and scuffle,—of all that could offend the eye, the ear, the nostrils, or the inner sense,—would cause him to rub his eyes to see if he were indeed awake, and when he did come to understand it all, when he was told that many of the beautiful fountains and statues, as well as the gardens, structures, and general ornamentation of the city, were the result of voluntary effort, he would be more amazed than ever. What would his competitive experience hold to furnish material for such a thought? He might remember how his friend, Bently, used to spend his Saturday half-holidays in making a garden to beautify his own home, but did he not do it because the home was *his* and he wished to make it look prosperous, and because, though he scarcely confessed it even to himself, he wished his place to outshine that of one Jonathan Small, between whom and himself there existed a bitter business, as well as social, competition. But how would all this explain men giving their labour to the beautification of surroundings which they did not own individualistically, or, to put it in competitive phrase, which they did not own *to the exclusion of their fellows*?

It would be necessary to labour patiently in order to show this denizen of a competitive world how this marvellous transformation had been effected. He would first be told that, when men could gratify all their desires by work of their own choosing, work which would thus become almost as play,—work which consumed but two or three hours out of each twenty-four, and which guaranteed them forever from want and from that all but worse thing, fear of want,—they naturally and instinctively sought expression for their higher nature. This expression they found in all manner of art creations, and the delight of the thing so grew upon them that it was almost a daily occurrence in each city for some association of workers to submit a plan for some sort of improvement, and to ask permission to be allowed to make it without remuneration. This permission, he would have to be informed, would only be given after a referendum vote was taken upon the matter.

Gradually our representative of the competitive régime would come to realise the dominance here of an entirely new motive. He would remember how, under the old system, men oftentimes rejoiced more in, and laboured harder for the glory of their family,



## GILLETTE'S INDUSTRIAL SOLUTION

than they rejoiced in, or laboured for their own personal advancement, and, after a time, he would come to see that, under the new system, this sentiment had been evolved to *include all mankind in one great family, the glory of which was the glory of each of which*. He would remember, too, how in the old days when he went alone to see a fine play, he lost something of its enjoyment from the fact that his beloved wife was not with him to share the pleasure of its good points. Then would he begin to think how many little, rudimentary suggestions of this sort there were in the old régime—suggestions pointing towards this new, higher dispensation with a gesture which *should have been unmistakable*, but which he did not notice because it was not done in yellow, to the accompaniment of clanking coin. Slowly would it dawn on him that all he had witnessed existed, *as an intellectual conception*, in the old competitive days. At that time men were possessed of knowledge enough to build just such a city. All they lacked was a social system under which their dream could become a reality. The marvellously beautiful white cities of the World's Fairs were an eloquent earnest of what even the knowledge of those days of cutthroat commercialism could produce, when once men got the opportunity really to coöperate in a beautiful task.

At this point would his understanding open, and from this point his conversion would be easy, for he would have bridged the gap between the old and the new, and, until a man has one foot firmly planted in the future, he will not remove the other from the past. Gradually it would dawn on him, ever more luminously clear as time went by, that if fellowship is heaven and the lack of it is hell, then, the wider the fellowship the higher the heaven. In the Gillette system he would find the widest possible fellowship and would come ultimately to understand the glory that life holds for him through whose sensorium beat all the pulses of human kind.

## CHAPTER XLIII



"Vat do you vant?" demanded a harsh voice. The Pessimist looked up quickly. From the Elevated Railroad Station he had clambered out upon the Elevated track, and was standing directly over an open window. In the opening appeared a hollow, sunken face, with small, bloodshot eyes.

"Vat do you vant?" repeated the man. He waited a moment and then sank back and went on with his work. He was making shoes. Suddenly he arose again. "Look," he exclaimed hoarsely, "You can ze English talk. I cannot. See here," and he held out several bits of stone and two small chunks of iron.

"Me lif here and vork efery day. Me vork hard. At nights ze trains run by ze window, and from off ze trains ze boys haf dropped ze stones. See? Zey haf broken ze glass. See? Zey strike me; some day, maybe, zey kill me. Me no can tell. Me speak to ze man at ze station. He can't do nothink. Me no can tell. Me no can tell. Efery day me work here. Me haf no time to leaf ze vork. You no can't help me, eh?"

He sank back and began to work again, but he could not repress his emotion. His breast heaved, his eyes flashed.

"Eighteen year me come to dis country. Zey tell me, 'You no haf to vork hard; you will be free. You will be American.' Me come here. Eighteen year me vork, and vat is it? See, ze children play on ze fire escape, zey haf no other place. Ze woman haf in the clothes, and sew efery time all day. Zey drop stones on me. Me poor, haf no vay to help. Und mien children, und mien vife, zey lif like dogs. Oh, Gott! und dis is ze American freedom!" He stopped again, but this time the light did not leave his pallid face. He had fled from tyranny toward Justice, and although he had not found her, the divine longing still burned in his soul.

*Max Worth.*

Under slavery there is never any question of the unemployed, and no one ever seeks work without finding it. It is the master's interest to keep his slave in good health. The wage-earner is free to starve or to commit suicide, but the slave was not, for his master had a stake in his life and strength. A good slave was worth a thousand dollars, but a good wage-earner is worth nothing at all, for you can pick up another on the next corner. Perhaps the greatest advantage which the wage-worker possesses over the slave is that he thinks he is free, and freedom is such a quickener and vivifier that the mere belief that you have it is a tonic in itself.

*Ernest Crosby.*

## CHAPTER XLIII



THE analogy existing between the body social and the body corporeal is so striking that it repeatedly has been noted by various writers, ever since Herbert Spencer gave his long list of similarities existing between the two. In its most vital aspects the social body may be considered as a larger individual composed of cells or social molecules, these cells or molecules being living human beings. We shall not be surprised, therefore, when we consider the needs of this larger individual which we denominate *society*, to find them very like those of that smaller individual which we call *man*. The life of a man expresses itself in internal and external activities. These activities represent the consumption, or better the transformation, of energy, and in order that this energy may be transformed, it must be supplied to the transforming machine, man. Whatever the activity, whether it be the composition of a poem or the digging of a ditch, a given amount of energy is transformed—the poet or the digger parts with it, and this energy must be supplied if the individual is to continue to live and work. Indeed, whether he works or not, since life itself is a process of transformation of energy, the material for this transformation must be supplied if his life is to continue. The author who writes a book, the inventor who creates a machine, or the gardener who cultivates a rose, each is literally putting his life into his work, and when this book, this machine, or this rose is exchanged for the product of other labour, this exchange is a *literal swapping of lives* to just the degree that energy was consumed. *Thus are all men in the social circle bound together by bonds as strong as steel, albeit as invisible as ether.*

Man's most crying needs, those needs which take precedence in point of time, at least, over all others, are for food, for shelter and for clothing,—shelter in its larger sense including clothing. So it is with a pioneer society. The first great essentials are food, and shelter from the elements and from enemies, brute and human. It seems logical, therefore, in considering the Gillette system as it will be in full operation, to begin by asking ourselves how the new régime will supply these primordial human wants.

We already have called attention to the fact that the mechanism of production (including distribution and exchange) and consumption, may be treated exactly like any other machine, and judged, as such a machine should be judged, by the *relation of its output to its input*. The world has never produced a mechanism which was a hundred per cent. efficient, and we need not look for a *social* perpetual-motion machine, where we know a *physical* one to be impossible. All transformers are, in some measure, wasteful and, other



## GILLETTE'S INDUSTRIAL SOLUTION

things equal, *they* are the least wasteful which act the most directly, using the smallest possible number of parts.

The Gillette system, therefore, if it is to prove its claim for the highest degree of social efficiency thus far attained, should also be able to show an extreme directness of action; the smallest possible number of parts; and the maximum simplicity in construction.

Let us see if this be the case. The members of this society would have to be fed, clothed and housed first of all, or, to put the same statement more in accordance with the spirit of the new régime, we should say; the members of the new society first of all would have to be enabled to feed, clothe and shelter themselves. As it is more economical for a man to supply all his wants by producing and exchanging large quantities of a few things, than by striving to produce just the amount he personally needs of a great number of things, each individual would, of course, specialise. Thus we should have men labouring and exchanging their products for an equal value of the products of other men. The essential points to be considered are, how will production, under the new régime, differ from production under the present competitive system, and how will the values of the relative products be determined under this non-competitive system? We use the word non-competitive advisedly, yet, lest the reader fall into error, we wish to say, once for all, that the Gillette system *will not be devoid of a certain spirit of emulation which some may be innocent enough to confuse with the commercial term "competition."* The competition which is found in the school-room, where several scholars strive for the highest educational efficiency is one thing, while that cutthroat competition of commercialism, under which the large firm ruins the small one, is quite another thing. The new system will have plenty of the former; it will have *none* of the latter.

One of the ways in which the new régime immensely will increase its efficiency will be by eliminating myriads of activities which then will be entirely useless. What, for example, would insurance companies find to do? Fire insurance would be entirely useless, for the simple reason that the very nature of the system would tend to distribute *each and every loss*, not among the members of a small company, but rather throughout the entire known race. If individuals desired to form private associations, for the purpose of insuring each other's lives, no one, of course, would say them nay. It need scarcely be said, however, that under a régime where each individual could get a splendid living by two or three hours work of his own choosing per day; a system which would pension him when too old to work, and provide for him if too ill to work; a régime, moreover, under which no man would wish to protect his family from toil, since idleness on the part of those able to work would be the disgrace of all disgraces — under such a régime, we repeat, the individuals would, indeed, be few and far between who would bother their heads about life insurance. They would, forsooth, be so few and far between that no private association of citizens would find the proposition a sufficiently attractive one.

In order to form some realisation of the saving which would be



## GILLETTE'S INDUSTRIAL SOLUTION

effected by the elimination of these two activities, let us consider, for a moment, the thousands upon thousands of individuals now employed in these unnecessary activities who, under the new régime, would be released for useful productive endeavours. We are told that the life insurance in force in the United States alone, in the year 1900, was nearly ten thousand million dollars, and that the annual cost to maintain the same, including expenses and dividends, amounted to nearly two hundred millions. What is said here of insurance could, with equal propriety, be said of many other activities too numerous to mention. The world's vast navies will be useless scrap iron. The standing armies of the world will find something better to do than to kill their fellow men. Upon the back of each European peasant there is a soldier and if some of our present officials and plutocrats have their way, the same will soon be true of Americans. Under the new system this man will get off and step into the furrow with the peasant. The sword will be bent into the sickle; the bayonet transformed into the pruning-hook; and the murderous impulse of competition will give place to that sympathy and love which is the inevitable outgrowth of a recognized community of interest; and all this will not be the result of any interference with natural law. It will not grow out of any *levelling process*, as that term is used by the critics of Socialism, and it will not result from any *compulsion* of any kind, sort or description. The advocates of competition like to think they have a patent on *liberty*, and they take pleasure in saying, at every opportunity, that there is but one choice open to mankind,—the choice between monopoly and what they call “free competition.” This is not *even remotely true*, but these advocates of competitive strife refuse to realise the fact. When driven to the wall, they strive to save their faces by the assertion that free competition and coöperation are one and the same thing. Having thus tortured language into their service, they become emboldened to go still further and to assert that competition — “free competition,” is the only possible way of securing *coöperation*.

If two pioneers join together to build a log-house everybody instinctively knows that they are coöperating, yet these devotees of the competitive fetich will, if need be, go black in the face in their attempts to prove to us that these two men are, of necessity, *competing with each other*. That the choice is *not* inevitably between any kind of commercial competition and monopoly, ought to be abundantly plain to any one who will think fundamentally. The difficulty is due largely to a failure to realise that a *monopoly cannot be a monopoly within its own limits*. It must, in short, act *externally to itself*, in order to exercise any monopolistic tendencies. The importance of this point justifies its amplification.

Suppose one hundred individuals all join together on a basis of equality and form a corporation which secures absolute control, let us say, of the steel industry. Suppose, further, that these hundred individuals proceed to levy tribute upon the public by raising the price of steel to a most extortionate figure, by charging, in short, the last drachma which the “traffic will bear.” So far as the *public* is concerned, this corporation is an octopus of the worst sort,—an



## GILLETTE'S INDUSTRIAL SOLUTION

out-and-out monopoly which ought to be crushed at the earliest possible moment. This is what we find when we view the corporation from the *outside*. When, however, we view the corporation from the *inside*, we find it, so far as its hundred members are concerned, a perfect *democracy*. Each member has an equal voice in its government, and the wishes of the majority prevail. Suppose, now, this corporation increase its membership from one hundred to ten thousand. What will be the result? This. To ten thousand men, *viewing it from the inside*, it will represent a *democracy*. To all the other millions of the human race it will be as before, a ruthless monopoly. If, now, the membership of this corporation could include every one, there would be no one left to view it from the outside, and there would, therefore, be no one left to whom it would be a monopoly. Its membership would be all mankind, and, as we have already made plain, so far as its members are concerned, whether they number one hundred, one hundred million, or the whole human race, the organisation represents a *democracy of justice*. It is these considerations which have been all too lightly passed over by the advocates of competition.

The *real* choice is between *monopoly*, *some kind of competition*, and a *democracy*, or what is the same thing, *just coöperation*. We do not contend that under "free competition" something *akin* to real democracy might not be reached, but we do contend, and that, too, with emphasis, that an ideally just condition never will be reached under *competition however free it may be made*. More than this; we asseverate it as our solemn conviction, that no type of competition ever can come as near absolute justice as the Gillette system.

The advocates of competition continually are referring to the alleged fact that mankind is bound to be dominated by self-interest, using this term in its selfish rather than its selfial sense. It is upon this *flattering ethical foundation* that they build their superstructure. Just as for centuries Christendom has been obsessed by the idea that man was naturally *morally degenerate*, so all our standard economists have always been beset by the conception that man inevitably is *socially unregenerate* — that he is *naturally a commercial blackguard* — a *pirate upon every sea of life*.

We need only point out,—as one of the many illustrations which might be cited showing the injustices which are inseparably connected with even the *freest* competition,—that if the contention of its advocates just referred to be true and remain so, competitors will continue, under the freest competition as now, to lead men to deceive as much as may be in regard to questions of supply and demand. The buyer will seek to make the supply appear as great as possible. The seller will strive to make the supply seem as small as possible relative to the demand,—in short, each will do his level best to serve his own interests, for it is the frank admission of the overwhelming majority of these lovers of the competitive régime, that the buyer is only prevented from overreaching the seller by the simultaneous attempt of the seller to overreach the buyer. One would think that commodities had no definite values which could be

## GILLETTE'S INDUSTRIAL SOLUTION

determined by a sane consideration of the factors incident to their production.

The new system will eliminate this tendency to strive to overreach, and it will do it without cutting across any evolutionary or other natural law; without interfering with the liberties of any man; and without any duress or compulsion whatsoever. No man will have to join the system unless he finds it for his own interest to do so. Having joined it, he will be free to use his activities in any manner that pleases him, with the single proviso that he shall not invade the like freedom of others. The more he *works*, the more he *gets*. The less he serves, the less he receives,—in short, in the last analysis, *each man will work for himself* in a truer sense than ever before in the history of the world. Is this *monopoly*? We think not. Is it *competition*? It certainly is *not* in any of its present essential characteristics. It simply is a perfectly *coöperating democracy*.

The most advanced and liberal advocates of competition inform us that, when competition is perfectly free, it will have little, if any, other use than the determination of the exchange values of commodities, and they apparently find it difficult to conceive how these exchange values may be determined in any other way. We think it wise, therefore, to answer their doubts upon this subject at this point, even though it may be a little out of logical sequence, for the reason that, until this vital question is disposed of, many of them will find themselves unable to view without prejudice any other details which might be put before them. Let us start, then, with the postulate that it is the first business of any society to supply its own needs. To produce *more* than it could consume of all or any commodities would be wasteful. To produce less than it properly could consume, would be to decrease the happiness of *some*, at least, of its members under *any* régime, and of *all* of its members under a *just* régime. As part and parcel of the method by which a society produces what it needs, there is the means by which it distributes what it produces,—the means, in short, by which it effects a just exchange of social service. This the present competitive régime seeks to accomplish by regulating prices by what it is pleased to call the “law of supply and demand.” That it fails in its effort ought to be apparent to every one; though, were competition free and untrammelled it would, in a bungling way, make a somewhat nearer approach to the desired result. It never could, however, be more than a *poor* approach, under any competitive system thus far proposed. Consider now the Gillette way of attaining this end.

Whatever may or may not be true of other systems, it is true under the Gillette system, that the price of any commodity is considered as being merely *that inducement which it is necessary to offer, in order to stimulate the production of the required amount of the article in question*. The reader is asked to bear in mind now and always, that *goods* are exchanged for *other goods*. They are *not* exchanged for *money*. To part with goods and to receive money, is to make but *half* an exchange, however long this money may be kept before, in



## GILLETTE'S INDUSTRIAL SOLUTION

exchanging for more goods, it completes the *other half* of the exchange. We do not eat or drink money. We do not *consume* money in an economic sense. The wealth of Croesus would not keep a man from starving, if he could not exchange it for food. Money is merely a go-between. The *real* things are the commodities which immediately minister to human needs. We see, therefore, that one of the most essential considerations of the Gillette system will be the determination of the inducements necessary to offer with respect to the various commodities, in order to supply its needs, and to maintain a proper productive ratio between these various commodities. This consideration forms the subject matter of the following chapter. The reader is asked to remember that we are now speaking of the Gillette system in its fully operative stage.

## **CHAPTER XLIV**



All industry was begun by women.

*Charlotte Perkins Gilman — The Home.*

Labour is prior to, and independent of, capital. Capital is only the fruit of labour, and could never have existed if labour had not first existed. Labour is the superior of capital, and deserves much the higher consideration. Capital has its rights, which are as worthy of protection as any other rights. Nor is it denied that there is, and probably always will be, a relation between labour and capital producing mutual benefits. The error is in assuming that the whole labour of the community exists within that relation.

*Abraham Lincoln.*

We are morally bound, therefore, to give a *quid pro quo* in work and not in money for all that we receive from the labouring masses who toil for us. We must keep our balance of account with them and with the world at large in our favour. We are bound by every moral consideration to give as much as we get. Now, there are two ways to retain a balance in our favour: one is to keep down the debit side of the account, and the other is to increase the credit. We can keep down the debit side by taking as little as possible from others, by making as little use as possible of their labour, by dispensing with luxuries and by leading a temperate and frugal life. On the other hand, we can increase the credit side by being as useful to others as possible, and especially to those who need our help the most—the toiling classes. Above all we should choose a useful calling for ourselves and for those for whom we have the privilege of choosing.

*Ernest Crosby.*

If all would work a little, none would be overworked.

*Elbert Hubbard.*

There is something revolting to me in raking a heap of money together, and internally chuckling over it, when others are feeling the loss of it.

*George Eliot — Daniel Deronda.*

## CHAPTER XLIV



WE have seen in a preceding chapter how the supply of commodities was more or less justly regulated by an arbitrary fixing of factors. When we use the word "arbitrary," we would be understood to mean that these factors were regulated in accordance with the best judgment of those having the matter in hand. They were not *self-regulated*, as will be the case in the third stage of the system,—the stage which we are now treating. The Gillette plan proceeds to its full development by the orderly process of evolution, so that we confidently may rely upon the experiences of its second stage to have determined, within a relatively small margin of error, just how much of any commodity is needed for the full satisfaction of its society. More than this; it will also have determined approximately just what inducement must be offered to secure the production of this particular volume of this particular commodity. This information, to use the phraseology of the patent office, will constitute the "state of the art" at the time when the new régime enters upon its third stage. At that time the just value of all commodities, in terms of other commodities,—or to put the same thing in its more usual form,—the value of all commodities in terms of money, will be known within a very small margin of error. This is not to say that these values will remain constant. Anything operating to make the production of a given number of units of a given commodity either more pleasant or more distasteful, less onerous or more burdensome, will change the value of that commodity relative to other commodities. The self-adjusting, automatic mechanism, therefore, which regulates values under the Gillette system when in full operation, must follow all these changes, even as a compass follows every change of movement of a mass of magnetic metal in its vicinity.

Let us see how this will be accomplished. Bearing in mind that, under the Gillette system, *the value of a given commodity is measured by the amount of the inducement which has to be offered to secure the production of a sufficiency of that commodity*, let us now turn to a consideration of an hypothetical primitive community, in order that the mere reduplication of parts may not blind us to the operation of the mechanism. All the principles of supply, demand, exchange, price, etc., can just as well be shown in a community of a dozen men as in one of a dozen millions. In like manner, the multifarious means of ministering to an almost limitless number of human desires may likewise be abridged. For the sake of our illustration, therefore, we consider a community divided into three portions; the one portion, whatever its numerical strength, producing nine food units in one unit of time. It is entirely immaterial to the



# CHART R

FIG. I

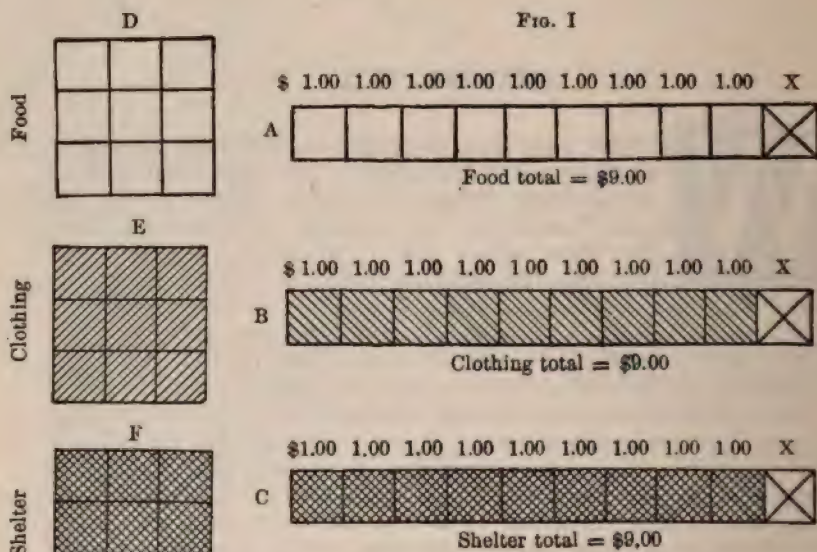


FIG. II

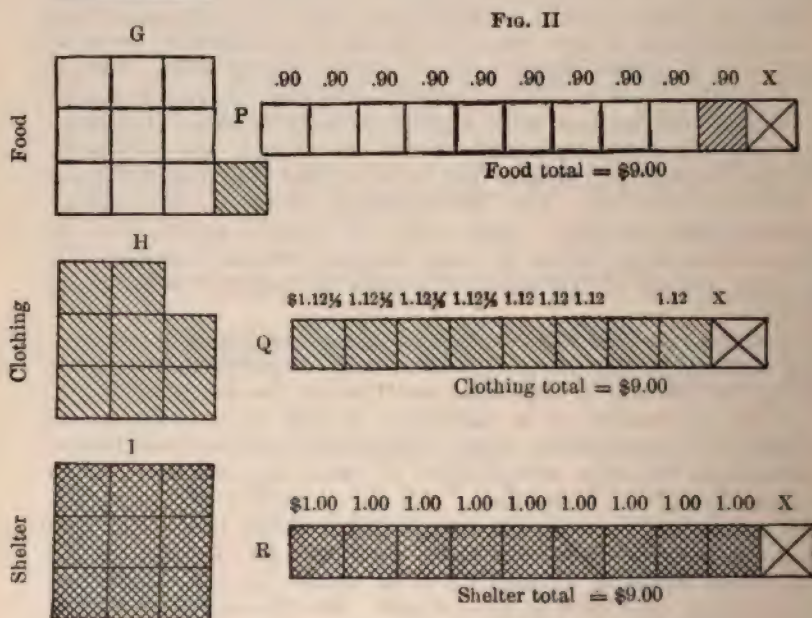


CHART S

Fig. III.

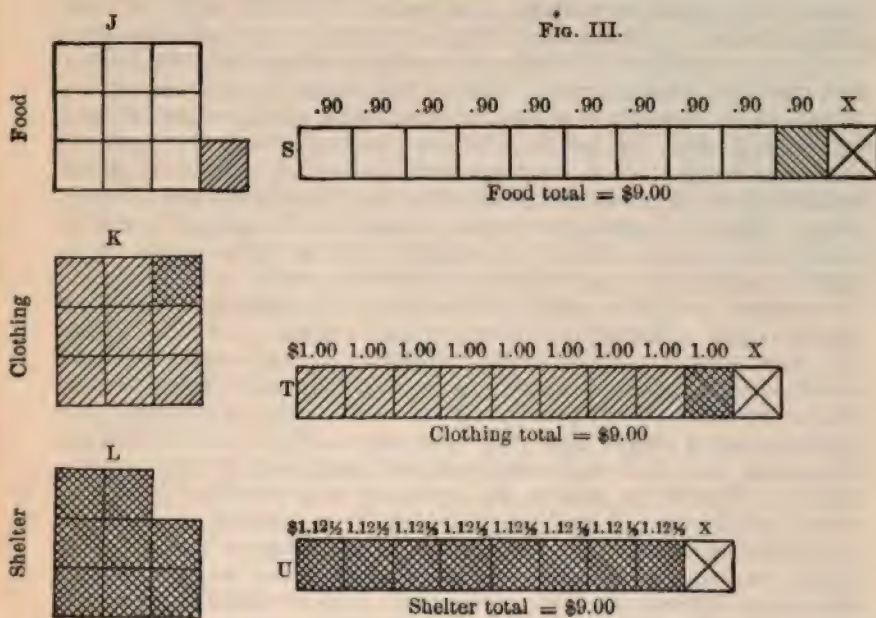
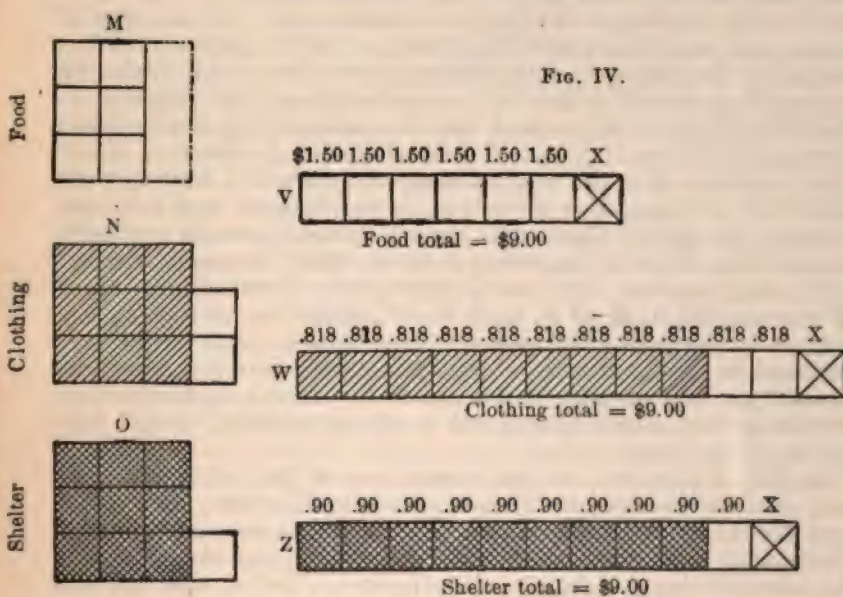


Fig. IV.





## GILLETTE'S INDUSTRIAL SOLUTION

present discussion how many men are required to do this, or how many days, hours, or minutes, constitute a "unit of time," or how many pounds of product make up a food-unit. The essential thing is that the first third of the society which produces nine food-units, has produced a value exactly equal to the second third of the society which, in the same unit of time, produces nine equally valuable units of clothing, while the last third of the society produces nine units of shelter of equal value in the same unit of time. For the sake of the hypothesis we have assumed at the start that these units are of equal value. But this assumption is not necessary to the successful operation of the system will be abundantly clear as we proceed. It is merely agreeable to our explanation that *some* value or other should be assumed, and it is easier for the reader to understand us if we assume *equal* exchange values for all our units. We offer charts R & S to assist the reader in comprehending our explanation. These two charts are numbered serially, being in reality but one chart which we are forced to divide for the reason that it could not properly be printed upon a single page. By reference to Fig. I, it will be seen that there are three larger squares each composed of nine smaller squares. The larger square, D, represents nine units of food produced, let us say, by the first third of the community, bearing in mind that, if it took a quarter or a half of the society to produce these units, the principle we are illustrating would in no wise be altered. The large square, E, represents nine units of clothing and the square, F, nine units of shelter. The smaller squares are left open, are hatched and double hatched, for identification. For the sake of convenience and simplicity of explanation, we will assume the community to be composed of twenty-seven individuals, each producing one small square of commodity per unit of time. By referring to A, B & C of Fig. I we see there various squares represented in linear extension. At the end of each row of squares is found a square with a cross in it. The nine open squares marked A represent the nine units of food which the society of twenty-seven men will consume in one unit of time. The crossed square represents one additional food-unit which the society holds in reserve to meet any slight unexpected demand. The other squares similarly marked at the end of rows marked A, B, C, P, Q, R, S, etc., indicate similar emergency reserves in the other departments. These reserves, once created, are supposed to be maintained by the normal production of one unit of product per man per unit of time, so that, with this explanation, we may leave these crossed squares out of our consideration, though they appear in the figures.

In Fig. I, therefore, we have a condition of the society which we may call ideally balanced. These three commodities are exchangeable each for the others at like values. Just the right amount of each is produced to satisfy all the needs of the society, and an extra unit constantly is kept on hand as a safeguard. Let us now call the value of each of these squares, *one* and, for the sake of giving more concrete expression to this value, let us call it *one dollar*, realising the while that we might just as well have called it one share of stock in the World Corporation Investment Company, or one cent, one cat,

## GILLETTE'S INDUSTRIAL SOLUTION

one dog, one *anything*. We see, therefore, that these nine squares of food, of clothing and of shelter, will have respectively a total value of nine dollars as indicated in Fig. I of the chart. So much for the conditions of an ideally balanced primitive community.

By this time the thoughtful reader doubtless has asked how we have determined that the value of these units is just one dollar each, or, in other words, that they exactly exchange for each other. The reply is that the first and second stages of the system will have shown that something like a dollar has to be offered for each of these squares, in order to have *just nine units produced* in each of their commodities. That these three kinds of commodities are on a parity with each other in the matter of value will have been shown by the fact that any change which occurred in these values resulted in the production of too much of the commodity benefited by the exchange, and too little of the commodity which was injured thereby. In addition to all this, it is to be said that we do not necessarily claim that this dollar-valuation is *perfectly exact*. What we *do* claim, and what we are about to show is that, if it be not exact, it immediately will change. Knowing that nine units of each commodity are wanted, all that our primitive community of twenty-seven men has to do is to make each of these three departments *equally attractive* to producers. The twenty-seven units of one commodity or another will be produced, because the twenty-seven men are hungry for them; and nine of each commodity will be produced, because nine of each commodity are *needed*, and production in the one line is just as attractive, and no more so, than it is in the other two.

This is all very fine in a balanced, justly adjusted community, where changes in value do not occur, but, just as it is hard to learn to swim without going into the water, so is it hard to reach an ideal state without passing through those various degrees of imperfection which separates us from it. It is necessary, therefore, for us to show how the Gillette system first *attains*, and then *maintains*, this ideal balance. Referring to Fig. II of the diagram, we find at G nine open and one hatched square. At H eight hatched squares,—the missing square being the one attached to G; while at I we find nine doubly-hatched squares. At P we find the squares of G in lineal extension. At Q are found those of H, and at R, those of I, reference to the crossed emergency squares, X, being omitted in each case. Counting the squares at P we find nine open and one hatched square, or ten in all, this hatched square representing one labour-unit of food produced by labour diverted from the clothing department, H. This diversion means a food surplus of one unit, as shown at P, and a clothing deficit of one unit, as shown at Q. How will the system remedy this? Let us see. Having determined that nine units are necessary to satisfy consumption, and that these units are presumably worth a dollar each, it will figure up that its food supply is worth nine dollars and it will, therefore, pay against each of the ten food units produced one-tenth of nine dollars or ninety cents.

Looking now at Q we find a deficit. Nine units of clothing are needed to supply the demand and only eight are produced. The price, therefore, which would have been paid for these nine units of



## GILLETTE'S INDUSTRIAL SOLUTION

clothing had they been produced (see Fig. I) namely, nine dollars, will now be paid for the eight units, each unit of clothing accordingly receiving one dollar and twelve and one-half cents. This condition of affairs would immediately indicate that the production of food units at one dollar each was a more attractive pursuit than the manufacture of clothing units at one dollar each. The units of shelter represented at R are shown to have remained as at C, Fig. I. Suppose, now, that this price of one dollar and twelve and one-half cents per unit of clothing is so attractive that labour is diverted from the manufacture of shelter to the manufacture of clothing. Let us see how this would adjust itself. Referring to Fig. III (Chart S) we find J representing nine open squares and one hatched one, being identical with G at Fig. II. K of Fig. III is identical with H of Fig. II, except that the latter's missing square is replaced by the doubly hatched one, the one which is seen to be missing from L of Fig. III. Let us turn now to S of Fig. III, which exactly repeats the condition of P of Fig. II with respect to food units which are paid on a basis of ninety cents each. Considering T of Fig. III, we find eight singly hatched and one doubly hatched square, making in all nine units of clothing, or the amount required by the community. These units, therefore, receive one dollar each. In the case of U, Fig. III, we find that there are but eight units of shelter, so that each receives one dollar and twelve and one-half cents. The net result, therefore, of Fig. III would go to show that, at that particular time and under those particular conditions, making food-units at ninety cents was as attractive a proposition as making clothing at one dollar a unit, or shelter at one dollar and twelve and one-half cents per unit; and that clothing at one dollar and twelve and one-half cents, the price paid at Q of Fig. II, possessed sufficient attraction over shelter at one dollar a unit (see R Fig. II) to cause the diversion of the shelter-unit appearing at T Fig. III.

Suppose, now, that the estimate that nine food-units are worth nine dollars is so far wrong that only six food-units are produced upon that basis. To see how this condition would adjust itself let us refer to Fig. IV of the diagram.

M represents the six food-units which were produced upon the assumption that one dollar would be paid for each of them. N represents nine units of clothing with the labour necessary to produce two food units attached in the form of the two empty squares. O shows one of these empty squares from M attached to the nine squares representing the nine units of shelter. By referring to V we find the six vacant squares representing two-thirds of the amount of food necessary to supply this primitive community of twenty-seven men. These six food-units, therefore, would receive the nine dollars which would have been paid against the nine food-units had they been produced, so that, in this case, each food-unit would receive one dollar and a half.

Consider now the condition of W of Fig. IV. Here is an overproduction of two units of clothing representing two-thirds of the labour diverted from the food industry, M, and appearing at N. (See Fig. IV). The result of this overproduction is that the eleven

## GILLETTE'S INDUSTRIAL SOLUTION

units of clothing receive but nine dollars, or a little less than eighty-two cents per unit. At Z we find one unit overproduction representing the balance of the labour diverted from the food-department. The result is that each shelter-unit receives ninety cents. The net result of this condition shows that while food, clothing and shelter-units were *supposed* to offer equal productive inducements they really did not do so.

We have shown at M of Fig. IV a thirty-three and one-third per cent. deficit merely to illustrate a principle. Of course, no such deficit would occur in the third stage of the Gillette system, for the simple reason that our present experience, plus the experience derived from the two preceding states of the system, would enable all products to be gauged probably well within five per cent. of their cost. We see, therefore, that the price-fluctuations of all commodities, while they would be exceedingly delicate, would be minute fluctuations across an easily ascertainable neutral point. While the wide variation shown at Fig. IV would never occur, it is easy to see that even if it did occur, it quickly would result in an equilibrium at the true point of justice. The one dollar and a half per food-unit might be more attractive than necessary, causing an undue influx of labour into that department, but this influx not only would lower prices at the next pay day, but it would be perfectly evident from day to day just about where the price would settle upon the basis of the labour then employed. Each worker entering a department would have access to all this knowledge, because it is one of the purposes of the organisation to keep a public record of all of its acts and conditions. Each man entering the department would be able to know just about what the price would be, on the basis of the labour employed at the time of his entrance. A fall in price, therefore, would not come as a surprise to any one. The bulletins of the department of production would, from day to day, show the approximate wage, on the basis of that day's production. No one would be tricked, therefore, into thinking a given industry much more attractive than it really was. It must be borne in mind also that, since under the new system any man can engage in any pursuit for which he is qualified, the time would very quickly come when the great mass of the people would be definitely settled in their chosen callings. Each could abundantly supply all his needs by two or three hours work per day, or its equivalent, and so he would consider the *agreeableness* of his work the main thing, and would not, as the case is now, be scurrying hither and thither from this industry to that, for the purpose of adding a few cents to his income. Money, when it is the only thing which enables us to supply our necessities, is usually the *most vital consideration*. With our necessities abundantly supplied, however, and with no fear for the future, there are many *other* things which take precedence over money. In view of these facts, therefore, it will be seen that just prices under the new system would easily be determined, and ordinarily would not materially fluctuate. A new invention, saving a large amount of labour, would indeed, produce a very noticeable change in the exchange value of commodities effected, but these changes could be foretold within very narrow margins.



## GILLETTE'S INDUSTRIAL SOLUTION

The casual reader, imbued with our present competitive ideals, will be quite likely to consider how the get-something-for-nothing gentry may try to "beat" this wage system, and, in doing this, the chances are as ten to one that he will fail to take into consideration the radical difference between the conditions existing in the Gillette system and the present competitive régime. He will perhaps say; what is to prevent the makers of food from conspiring to reduce their product, so that they may get a very large price per unit therefor? There are many replies to this question, but we believe a few of the most important will suffice.

In the first place, public opinion would make such a conspiracy impossible. In the second place, it could not occur without the connivance of thousands of workers; so many, in fact, that they even could not be corrupted under our present soul-deadening régime of competition. Thirdly, the just price of commodities, and the proper per capita labour-output, would be known so accurately that the whole scheme would be glass,—the very sun would shine through it. Fourthly, if it could succeed in raising prices per unit of product, it would defeat itself in the end, because it would determine a great influx of labour to that department, with an inevitable great fall in price. Fifthly, and this is most important, there would be no sufficient *motive* for such a conspiracy. The labourers, in a given department, would receive the same *gross amount*, whether they produced much or little, and, since two or three hours work would not be onerous, there would be no inducement to shirk. We see, therefore, that as a conspiracy, the organisation would not gain anything by these sharp practices, and we shall see, under our sixth head, that the *individuals* of the organisation would each have a selfish interest in pursuing a course just the reverse of that for which they all ostensibly organised. Let us examine this point. The moment a conspiracy was organised for the purpose of boosting prices, that moment, if it succeeded, each individual member of the conspiracy would have an added inducement to make his product as large as possible, in order that he might enrich himself at the inflated price. This would be the prompting of his selfish interest, and all who would join in such a conspiracy could be depended upon to listen to the voice of selfishness.

There are other reasons why such a conspiracy could not occur, but those we have cited are quite sufficient. We never must lose sight of the fact that the price-change, which might result from the decreased production of an individual who would brave public opinion by shirking, would be so infinitesimal as to be a vanishing amount, so far as he was concerned, while the *gross return to himself*, which would result from this decreased production, would be relatively a large amount and a quite sufficient deterrent. This point is most vital, and must not be forgotten. Suppose a man could make ten units of a product a week, and that the normal wage therefor was one hundred dollars. Suppose, now, he thought he would try and raise this wage by cutting his product in two. The amount he would increase the price paid for these ten units would, in all probability, not exceed four cents, so that, as the result of his scheme, he would

## GILLETTE'S INDUSTRIAL SOLUTION

receive fifty dollars and two cents, instead of one hundred dollars; not a very great inducement surely.

The reader may be assured, therefore, that no such sharp practices,—practices which immediately suggest themselves to minds full of competitive ideals,—will obtain under the Gillette system. If a man try to shirk, his bench-mate immediately will become aware of it and will not be slow to tell him.

We already have said that, under the new system, a man will not produce any more than he wishes to. It will not, therefore, be regarded as shirking if a man choose to work but half the time that others of his shopmates work, provided he is engaged in one of those industries in which wages readily may be figured according to actual output. In those very few activities in which it may be found necessary to compute wages wholly or partly from the time consumed in the production of the particular article, for a man to "soldier" will be considered shirking, and his fellow workmen will not be slow to make life disagreeable for him if he persist in this unfair practice; for, under the Gillette system, the work which, in such a department, one member shirked, other members would have to do, and for one man to get *full* pay for *part* work inevitably would be taken by his fellow workmen to mean that somebody else got only *part* payment for *full* work. The public opinion of the organisation would regulate these cases more efficiently than any legislation which could be devised. Any attempt, on the part of a workman, to slight the *quality* of the work in hand, would be considered by a fellow workman as the worst possible kind of shirking, besides which, it would fail to pass those expert workmen appointed as the examiners in each department. There could be no favouritism, and no nepotism, for the reason that any grievance which workmen, or for that matter *any one else* had, could at once make itself felt through the Initiative, the Referendum and the Power of Recall.

The holders of the World Corporation Investment Company certificates would have but *one vote each*, quite irrespective of their holdings. This would guard against any syndicate of men getting control of the organisation through buying large blocks of its stock. Moreover, when all of the stock was retired, there would be no sudden transition into a state of one-person-one-vote democracy. This state would have existed from the start. It will be seen, therefore, that the direction of affairs ultimately will rest with *all the people*, which is the same as saying that *they who produce the wealth of the world will determine how it shall be consumed*.

It must be borne in mind that we are not seeking to cover minute details. It is much better, with regard to unessentials, to pursue a tentative process, meeting the issues as they arise. In compliance with this belief, we do not try, at this juncture, to regulate the price which shall be paid authors, discoverers, painters, sculptors, mathematicians, scientists, and the like. We are quite content to leave these relatively unimportant details to the future, confident in our own mind that, under a régime in which men could supply all their needs by three hours' work a day—a régime under which *not* to toil would be held to be dishonourable, most of these things would be



## GILLETTE'S INDUSTRIAL SOLUTION

*labours of love* performed as *voluntary contributions* to the social good. Such voluntary contributions, if valuable, would carry with them a public appreciation — a resounding fame, which would be a far greater allurement than money to one who could so easily supply all his needs.

The fact never must be lost sight of that the Gillette system makes for the fullest possible human liberty compatible with equality of liberty. Its methods are not *coercive*. It offers inducements for all people to come into line with its ideas. If these inducements do not appear *sufficient* to any particular individual, he will not have to accept them till they do. The new régime rests everything on its ability to show each and every person that there is more happiness for him *personally*, to be gotten through joining this new movement than in any other conceivable way. Some, we are persuaded *a great many*, will see this truth at the start, and immediately will begin to reap its benefits. Others will timidly wait until they observe the benefits which come to their friends, after which they, too, will join the onward movement. With every new accession of membership the disadvantages of *not* being a member will become more glaringly apparent. The great point we wish to make is, that everything will be orderly and in perfect accordance with the individual's personal desires. He will not be coerced to secure his entrance into the system, nor coerced in any manner after he has entered. He merely will have an exceedingly attractive business proposition presented to him, and he will accept or reject it as seems best to him. This spirit of liberty will be apparent throughout the entire system. If members of the new régime wish to engage in productive activities independent of the main organisation, and to exchange their products with other similarly independent organisations, they will be free to do so, and they can exchange on a *competitive basis*, if they want to do so, or in any other way that they please. If an author wish to publish his own book and sell it himself, or a sculptor wish to pursue a like method with his statue, or a painter with his picture, we know of nothing to hinder such a course — in short, if the Gillette system cannot demonstrate its overwhelming superiority over every form of individualistic competition — demonstrate it so plainly that the simplest citizen may recognise it, it will be more than willing that that simple citizen should find it out for himself, by personally testing any form of competition that pleases him. In brief, the one use which the Gillette system will make of competition will be made in the showing of its own ability *successfully to compete with every competitive régime thus far devised*.

## **CHAPTER XLV**



War  
I abhor,  
And yet how sweet  
The sound along the marching street  
Of drum and fife! And I forget  
Wet eyes of widows, and forget  
Broken old mothers, and the whole  
Dark butchery without a soul.

Without a soul — save this bright drink  
Of heady music, sweet as death;  
And even my peace-abiding feet  
Go marching with the marching street;  
For yonder, yonder, goes the fife,  
And what care I for human life?

The tears fill my astonished eyes,  
And my full heart is like to break;  
And yet 'tis all embannered lies,  
A dream those little drummers make.

O, it is wickedness to clothe  
Yon hideous grinning thing that stalks  
Hidden in music, like a queen  
That in a garden of glory walks,  
Till good men love the thing they loathe!

Art, thou hast many infamies,  
But not an infamy like this.  
O, snap the fife, and still the drum,  
And show the monster as she is.

*Richard Le Gallienne.*

Cloten: "Why tribute? Why should we pay tribute? If Cæsar can hide the sun from us with a blanket, or put the moon in his pocket, we will pay him tribute for light."

*Shakespeare — Cymbeline.*

"Water" is a pretty word, suggestive of cleanliness and purity, but when it is applied to shares of stock it means the sweat of other men's brows.

*Ernest Crosby.*

Tariffs are contrary to natural law, hostile to other nations, fallacious in principle, and injurious in their results. We have always rejected the idea of the continental *octroi*, the municipal custom-house. Over a hundred years ago we abolished custom-houses between our States. It is high time to show the same wisdom in dealing with foreign states. The custom-house is a relic of barbarism and ought to disappear from the face of the earth.

*Ibid.*

## CHAPTER XLV



WHILE it is not our aim to attempt to cover unessential details, since we believe that these can be worked out best as the exigencies arise, there yet are a number of broad, general considerations in connexion with the question of labour which should have our attention. The labour of the entire system would constitute a grand industrial machine — a machine the efficiency of which would be measured much as the efficiency of any mechanism would be ascertained. To make the output of this machine of as high a grade as possible, the material used, both in and by the mechanism, must be of the highest obtainable grade. To make the output as large as may be, all possible waste must be stopped. In eliminating those useless industries to which we already have referred, together with others like them, the system will cut off, at a stroke, a waste probably representing at least a good half, and possibly three-quarters, of our present productivity. Until one begins to tabulate the useless and worse than useless activities of a competitive régime, he finds himself loath to believe that there is any such an amount of waste. But let him sit down and figure out the immense mass of wealth which is consumed in advertising; in the maintenance of insurance companies; the myriads of workers and the thousands upon thousands of buildings which are necessary parts of this useless activity; the thousands of fortunes which are wasted, and *worse* than wasted, in the maintenance of militant armies and navies; and the armies of labourers necessary to furnish the guns, powder, shot, ships, stores and general equipments tributary to warlike activities, and he begins to feel that putting the waste of the present régime at three-quarters is, if anything, far too conservative. Let him now consider the expensive buildings, the army of clerks, the retinue of inspectors, the land and sea equipment necessary to maintain our tariff regulations, and let him add to these the millions expended in building forts and maintaining them at a level of efficiency, and he begins to feel as if the three-quarters would figure out nearer five-sixths, and yet he has touched only the edge of the subject. This is graphically shown by the accompanying cut taken from "The Human Drift."

One of the chief stumbling blocks of most hypothetical social systems is the question of wages, or to put it in other language, the determination of the relative exchange values of social services. The layman is accustomed to think of these values in terms of money, though we do not exchange goods for money, for the simple reason that we cannot consume money. As we already have pointed out, to give goods and receive money is to complete but *one-half* of an exchange, the other half being completed when the money is exchanged for goods. What we really do, therefore, is to exchange



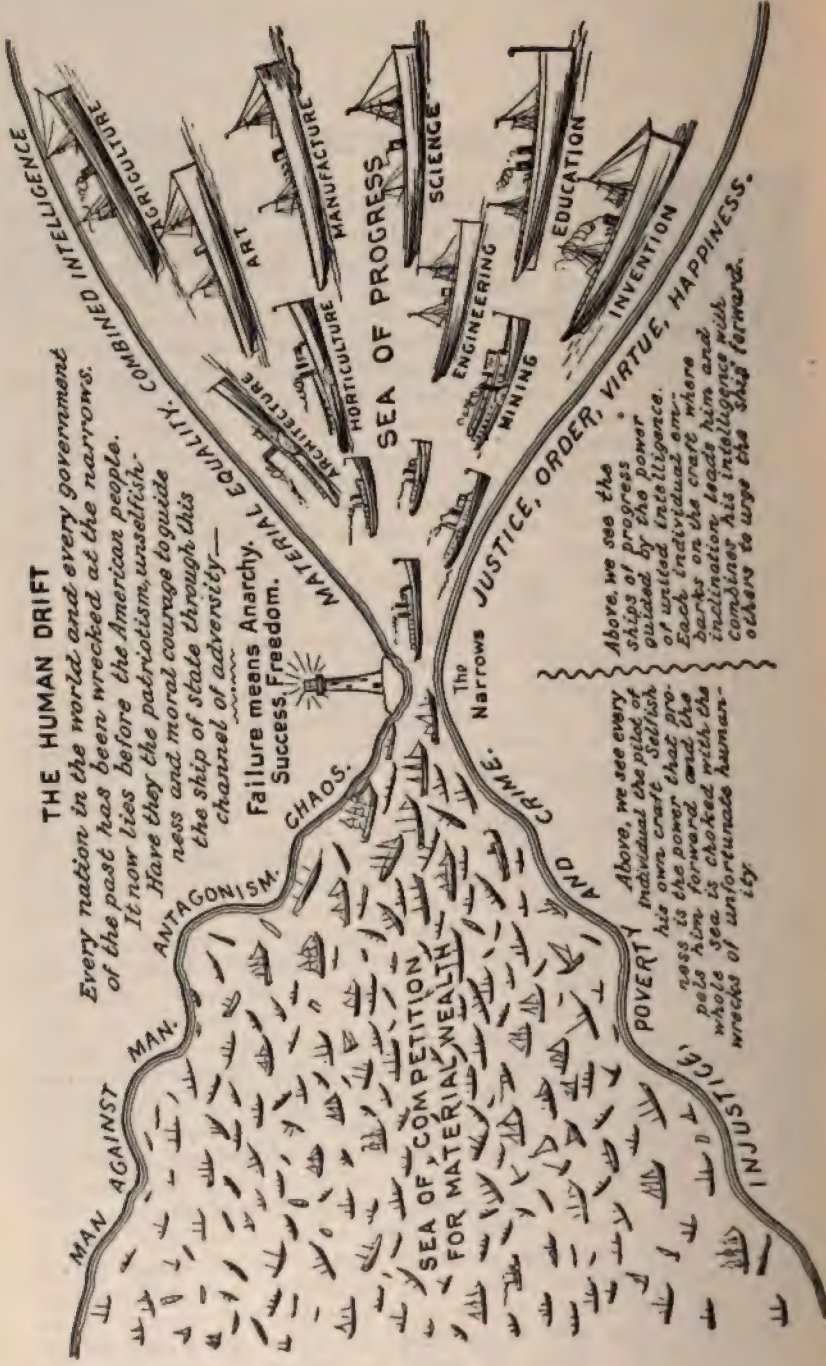
# THE HUMAN DRIFT

Every nation in the world and every government of the past has been wrecked at the narrows.

It now lies before the American people. Have they the patriotism, unselfishness and moral courage to guide the ship of state through this channel of adversity—

Failure means Anarchy. Success, Freedom.

CHAOS.



Above, we see the ships of progress guided by the power of united intelligence. Each individual on board on the craft whose inclination leads him and combines his intelligence with others to urge the ship forward.

Above, we see every individual the pilot of his own craft. Selfishness is the power that propels him forward and the whole sea is choked with the wrecks of unfortunate humanity.

## GILLETTE'S INDUSTRIAL SOLUTION

goods for goods. Well has it been said that "money is only a medium of exchange, and its terms a language of values. . . . for money terms constitute the dialect of the business world, and money is its fetic'h." Equally true has it been said, in connexion with our present competitive régime, "Employers pay wages for product. Whether they measure them by time or not, it is product and not time they buy."

Realising these facts we readily shall perceive that the new system will pay each worker according to the product he produces, and this will be no less the case even if it be found advisable, in connexion with a very few activities, to compute their product in terms of time. Bearing these facts in mind, we have only to consider how the new system will determine just how much of a given product is equivalent in value to a definite amount of another product. This question has been treated at some length in a preceding chapter, and its essential points made clear by the use of diagrams. We need, therefore, add but a few words here for the purpose of refreshing the reader's memory.

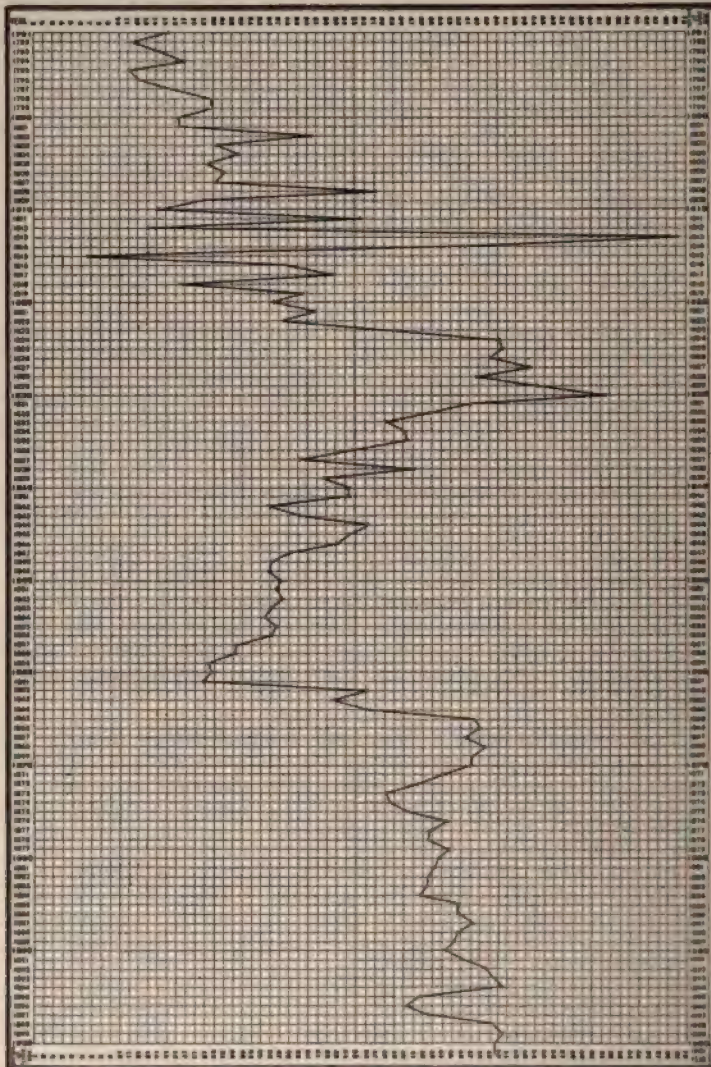
Under the Gillette system the value of any commodity is the price which it is necessary to offer in order to secure the production of enough of that particular commodity to supply the demand. The reader noted, when perusing the diagrams, that if the labourers in a given department produced too little of a given commodity to supply the demand, they were *credited with the deficit*; while if they produced too much, they were *charged with the surplus*. This is only another way of saying that the labourers of each department were paid, not according to what *actually was* produced, but rather according to what *ought to have been* produced. Stated in this wise, the method seems a trifle startling and disconcerting to one who has not worked it out with the aid of the diagram. As a matter of fact, however, we doubt if a simpler, juster and more immediately efficient plan for regulating prices, exchange values, and supply and demand could be hit upon.

The value of any commodity being an exact measure of the attractiveness to labour of the department which produces it, it follows that an exchange of equal money values will, in effect, be an exchange of similar amounts of equally onerous labour. *This is perfect justice*. It matters not in the least what *token* is used to *represent* these labour-units, whether a dollar, a mark, a doubloon, or a piece of properly authenticated paper marked "Fido," it is all one. All that is necessary for any one to know, is that he who bears a token exchangeable for a certain social service, has procured this token by rendering an equivalent service in person, or by agent. If one make a gift to another of the results of his labour, he may be regarded, in this connexion, as that other's agent. We see, therefore, that the payment for all services will be in terms of some convenient token, and this token will represent a given amount of labour of a given onerousness, so that all exchanges will be made upon a basis of perfect equity automatically determined.

The basis of every society is found in its agriculture. The cornerstone, yea, the whole foundation of the social temple, is the tiller



**The American Tariff from 1791 to 1901.**  
*Illustrated by the Annual Average of Import Rate of Duty (Percentage of Value) Collected on Dutiable Imports into the United States*



## GILLETTE'S INDUSTRIAL SOLUTION

of the soil. The waste which the present régime exhibits in this department is simply appalling. All over the world are isolated and semi-isolated farmers planting a crop to-day and then practically sitting down and watching it while it grows. Their equipment is, in most cases, a pitiably inefficient one. The plough and the mowing machine are used, say, two weeks a year, and rust in idleness the other fifty, while the interest on the capital they represent eats out the heart of the farmer's industry. It is useless to tell these tillers of the soil that they should have all the improved and expensive machinery necessary to increase their product and lighten their labours. What will it profit them to pay interest fifty-two weeks, for the sake of using the machine one week, when this fifty-two weeks' interest means an amount of labour greater than they can save? If we take a hundred farms, in any ordinary community, we find them, with few exceptions, seeking to maintain a hundred separate equipments—such as they are. It may be well to state in this connexion that, unless otherwise expressly specified, when we speak of "farmers," we are referring to farmers who farm *farms*, and not to that other kind of farmer who farms, not farms, but *farmers*.

Under the present régime a great part of the soil is used for crops to which it is not suited, and much of it should not be used for agricultural purposes at all. The more grudging the soil, the more effort must be expended to make it produce anything. When, therefore, immense tracts of unsuitable land are farmed, while waste areas of far better land are left untilled, the waste which results is almost beyond belief.

We have seen Southern farmers burning cotton by the thousand bales, and importers of fruit emptying their precious cargoes into our harbours, for the mere sake of increasing prices,—of preventing a glut in the market, if you please,—and we have also seen the Western farmer burn his corn for fuel, because he could not get coal, or otherwise get rid of corn. Reflect a moment what all this means in terms of social waste. The coal miners of the Alleghanies are *starving for corn* at the exact moment when the farmers of the west are *shivering around a corn-fire*.

Our absurd tariff regulations, which are graphically represented in the accompanying chart reproduced from the first volume of this work, have made a byword of our merchant marine, and our general transportation system is so operated as to rob the people of untold wealth. A bag of grain can be sent from an inland western state to Japan, we are told, for less than it can be gotten to our eastern cities. The traffic of the Great Lakes is enormous, and these practically could be opened to the sea were such a consummation not prevented by privileged legislation. We do not refer to the cumbersome, expensive and inefficient canal-lock now in use, but to a far better way which has been devised for raising and lowering a vessel over Niagara Falls, seventy feet or more at a step, as easily and as gently as we move a freight elevator in one of our large buildings. We might call attention to hundreds of other leaks which render our present industrial system a veritable sieve, but it is not necessary further to particularise. Let us rather indicate some of the improve-



## GILLETTE'S INDUSTRIAL SOLUTION

ments and economies which the new régime will effect, beginning with the basic industry of society, namely, Agriculture.

Under the Gillette system farming would be reduced to an exact science. Each crop would be raised on the land best suited to it, and in tracts so large that every known mechanical assistant could profitably be used. Let us consider one single crop, in order that we may deal more specifically with the method employed.

Suppose we select the world's wheat crop for our illustration. This in 1904 amounted to 3,162,404,000 bushels, of which the United States produced more than one-quarter. Suppose, now, it were determined that the annual consumption of wheat, under the new system, would rise to the round figure of thirty-five hundred million bushels.

The department of Agriculture would turn to its maps and tables of statistics, and mark off an acreage sufficient to yield this amount. Each parcel of this would be chosen, first, for its fitness to grow a high grade of wheat; second, with regard to its accessibility; and third, with respect to the ease of distribution of the product. For economy's sake the aim would be so to choose this land, with respect to climate, that a single army of workers on each continent could handle the entire crop of the continent. Suppose, for example, it had been ascertained that, in a given latitude, spring wheat should be sown on a particular day. On that day an army of farmers, equipped with the most advanced machinery known to Agriculture, would begin work, say, at the southern extremity of the tract of land set apart. If this area were very large, this army could be so proportioned to the work in hand that it could keep pace with the sun as it travelled northward. When the wheat was all in the ground, the agricultural army would not "rest on its arms" while it grew, but would move with all its equipment to pastures new, where other farm work awaited it. This army would be officered by experts in Agriculture, and the corps would be chosen, and the areas selected, with a view to the minimum amount of friction for the maximum amount of product. Thus the army might be planting wheat in one area this week, another grain elsewhere the next week, and something else each week thereafter, until the time came when the crops planted needed further attention. In this way the agricultural army would be kept constantly busy, and its equipment used to the fullest possible extent. It simply would swing, like an invading legion from tract to tract, doing its work so quietly and so well, that it would seem as if the crops grew by magic. Add to this efficiency, the fact that the supply would be neatly regulated to the demand, and that when it was produced it would go directly to the nearest point of consumption, instead of being sent hither and yon by speculators who would abstract profits and *profits on profits*, and some of the chief savings of the new system will be apparent.

If it be found that three hours' daily work will supply each toiler's needs, and the change of seasons renders a higher economy possible by eight hours' daily work by the agricultural army, during a small part of the year, it naturally will make the longer day, and even things up by working *fewer* of them. Thus an agricultural labourer

## GILLETTE'S INDUSTRIAL SOLUTION

might compress his whole year's work into three or four months, and have the rest of his time to himself. It scarcely seems necessary to add that a similar course might be pursued in many industries, should the workers therein so vote. The Initiative and the Referendum will make it perfectly easy for any citizens of the new régime to ascertain the will of their fellows. It will be immaterial to the society at large, so far as the output is concerned, whether a given quantity be produced by a body of labourers working two hours daily throughout the year, or the same body working eight hours per day for three months each year. Indeed, the longer day would, in some instances, be considerably more economical in results, provided all the labourers in a given department did not choose the same three months. For example, if a hundred thousand men were employed in the manufacture of a certain commodity, it would be much more economical, because of the saving in machinery and equipment, to divide this industrial army into four sections, the first section working, say, eight hours daily for the first three months of the year, the second, eight hours a day for the next quarterly period, and so on to the last. For the hundred thousand workers all to labour together for two hours daily would require a factory equipment capable of employing one hundred thousand men, and this equipment would be used only two hours a day. By making an eight-hour day, however, in four quarterly shifts, the factory equipment need only be one quarter as large, thus effecting a great saving in machinery.

It will be obvious to the reader that, if the two-hours-a-day plan were adhered to, and the corps of workers divided into twelve shifts, the greatest possible economy of equipment would be effected, for, in this case, the machinery necessary would only be that required to employ something like eight thousand hands, and this machinery would be continuously run day and night. We do not state definitely that any particular one of these methods will be employed, for the reason that the new system will be a régime of liberty and democracy. If the toilers prefer to use more machinery rather than to work nights, even for two hours, they will do so. These are all matters which with the Initiative and the Referendum they will settle to their own liking, and, in so doing, they never will lose sight of the fact that the great thing is not *productive*, but rather *consumptive efficiency*.

A short day has a greater per-unit-of-time efficiency than a long day, for no man does his best work when he is jaded by long sustained effort, a truth which without doubt will weigh in the establishment of labour conditions under the new system.

It seems a fitting place here to consider more at length the matter of choice of work. When the system has been fully operative for a generation or two, the efficiency of each unit, for any given work, will be known within very narrow limits of error. The school system will have ascertained the particular fitness of each individual, and will carefully have tabulated and recorded his development along his chosen lines. This school system, be it remembered, will be devised with the express end in view of fitting the scholar for *life* — not for college. It will lead the young child up through its various grades, and instruct him in all the intricacies of his chosen calling,



## GILLETTE'S INDUSTRIAL SOLUTION

so that there will be *no break* in the life of an individual, between his school days and his working days. If the child decides that he wishes to pursue agriculture, the last part of his school curriculum will be actual farm work, under precisely the same agricultural conditions which obtain with regard to his elders. This method will prevent any considerable number of radical changes in occupation after leaving school, because under this régime, the scholar will come into intimate acquaintance with the *actual practical work before leaving school*. This is vastly different from the present method of learning a little of the *theory* of a thing in school, and reserving the *actual practice* for postgraduate days. If the student do not like a calling, when he begins its actual practice, he will have only to ask to be transferred to some other branch of the school work.

We trust the reader will realise that a system of education which enables students actually to do things with their hands, as well as with their minds, will give rise to such a general manual dexterity and efficiency as will make it exceedingly easy for an advanced pupil to make himself proficient in any department of productivity. The right angle which a carpenter uses, is the same right angle which means so much to the mason and the machinist. To train the faculties for general alertness for the sake of efficiency in *one* department, is to train them for *all* departments. The present pitiable condition of our so-called educated young men is not that they are necessarily weak in *specialised* knowledge, but rather that they are *pitifully deficient* in *fundamental knowledge*. Under the new régime the *fundamental educational necessities of life* will be taught *each member of the community*, after which the particular application of these principles to his chosen calling will be dwelt upon. Thus it will be plain that any student under the new régime will, by the time he leaves school, have created a record in the bureau of statistics which will be little short of a perfect replica of himself. Reference to these statistics will, therefore, in ninety-nine cases out of the hundred, show that the applicant for work in a given department is fitted therefor. Accordingly in this advanced stage of the system the question of fitness will rarely be a vital one. In the hundredth case, however, as well as in the case of those who are to be considered before the new school system has begun to make things thus easy, fitness will be determined by a board of examiners elected from within each department. It will be the duty of this board to pass upon the fitness of all applicants to enter its department, and also upon their fitness to remain, after so entering. This board of examiners will be elected from among the most efficient workers in each department, and it will be for them to determine the grade of work which shall be produced. Any favouritism, nepotism, or the like, or any antagonism which they might feel toward an applicant, will be guarded against by the Initiative, the Referendum and the Power of Recall. Every applicant will have the inalienable right to submit samples of his workmanship, and if these samples are, in his opinion, unfairly treated, he can appeal from the examiners' verdict to the workers in the department he seeks to enter. If their decision is unsatisfactory, he can, if a sufficient per cent. of them enable him to invoke the Initiative,

## GILLETTE'S INDUSTRIAL SOLUTION

appeal to all the workers in the particular industry in question; and if a sufficient per cent. of these side with him, he can carry his appeal to the workers of *every* department, so that in the end, he may win or lose his point by the voice of *all his fellows*.

The reader is to be reminded that public opinion is more potent than law, and that no man would be likely, on the one hand, himself to brave the ill will of his fellows by attempting to appeal an absurd cause, and, on the other hand, if he did attempt it, he would be checked by lack of the necessary support. Each department of labour is itself a *lesser democracy*, as well as a part of the *great democracy*. Its own officers, if unjust or inefficient, can be given a short shrift, and the knowledge that such is the case would act as a wholesome deterrent, were general public opinion to prove insufficient.

The fact must not be lost sight of that, under the new system, *social efficiency* will be the *one great badge of respectability*. It then will be realised that we are all debtors to the past and creditors of the future; that the function of life is the balancing of the account, preferably its overbalancing. If we give too little, it were better we had never been born. If we give an exact balance, it is just as if we had never been born, but if we give more, society profits by our existence. He, therefore, who gives the largest measure of social service will be king, instead of, as to-day, he who consumes the largest measure of social service and gives the least. The interest of each worker vitally affecting those of his fellows, the shirk and the dishonest labourer will perpetually have to run the gauntlet of his more efficient fellow labourers. He will be under constant espionage, and he had better never have been born than try to poison his product, or render it unfit for consumption. Reader, can you imagine a shop turning out life-preservers filled with sawdust or other refuse like those which you and we could mention that recently cost so many precious lives? The thought is an impossible one, for, under this régime, the interests of one will be the interests of all. Man's *social interests* seen aright, are found to be his *highest personal interests* as well. The end of society is to make all its members *mutually dependent*. They who are but partially dependent are but partially socialised. *Away with this nonsense of independence!* It is a canker that infects the unthinking. *There is no such thing as independence*. The nearest approach to it merely is a balanced mutual service. We have had far too much of this bauble of independence. We are suffering now for a *declaration of dependence*, and it is the purpose of the Gillette system to supply it.





## CHAPTER XLVI



Ethics, to Society, is what physics is to matter; ethics is the physics of social relation. Physical law holds material constituents together in those combinations and relations which make the material bodies we know. Ethical law holds social constituents together in those relations which make the social bodies we know.

*Charlotte Perkins Gilman — Human Work.*

Activities performed by one's self alone, for one's self alone, or one's immediate physical relatives, are not distinctively human, and do not develop the human spirit.

*Ibid.*

One sacred pole-star of life, among the weltering billows and rocks of doubt, confusion and despair, is the growing consciousness of the race that Principles of Immortal Beauty forever cheer, console, sustain, upon every plane of mortal experience, because they are vital to the experience of God himself, and visibly insistent upon every side of his activity.

*John Ward Stimson.*

There are about us thousands of poor creatures who have nothing of beauty in their lives; they come and go in obscurity, and we believe all is dead within them; and no one pays any heed. And then one day a simple word, an unexpected silence, a little tear that springs from the source of beauty itself, tells us they have found the means of raising aloft, in the shadow of their souls an ideal a thousand times more beautiful than the most beautiful things their ears have ever heard or their eyes have ever seen.

*Maeterlinck.*

The book said, "Love others; love them calmly, strongly, profoundly. And you will find your immortal soul."

I leaned back in my armchair, letting my hand fall with the volume in my lap,

And with closed eyes and half a smile on my face I made the experiment and tried to love.

For the first time I really let my life go forth in love, and lo, the mighty current welling up, beneath and around me, lifted me, as it were bodily, out of time and space.

I felt the eternal pulse of my indestructible soul in the regions of life everlasting.

Immortality was mine. The question which had so long baffled the creeds and the philosophers was answered.

*Ernest Crosby.*

## CHAPTER XLVI



IN is egoistic — virtue is social. Sin is competitive — virtue is coöperative. *An individual could not sin, were he not related to some other being, or beings.* The domain of *ethics* is the domain of *otherdom*. Right and wrong are *social terms*, not *individualistic terms*. The real difference between heaven and hell is that heaven is a place where the interest of each is the interest of all, while hell is a domain where the interest of each *conflicts* with the interest of every other. The new light which is about to break upon the darkness of the ages will exhibit the fact that there is a social happiness, infinitely transcending any individual happiness, a happiness greater in amount and superior in kind, even as the whole of society is greater than the one individual. That the average man always regards happiness from the egoistic standpoint signifies nothing. A new horizon awaits him, and in due time he will see it, or yield his vantage ground to those who can. The heavy gloom of all the ages, shot with blood and fire, rent with shrieks and moans, and flooded with human tears, has not been in vain. This awful travail has given birth to the social ideal upon which will be builded the grand millennial structure of justice, love and peace. The whole world one day will be as a suburb of the human soul. The new city will be as much *within* men as *about* them. They will be reacted upon by their environment, even as they will act and react upon it.

To hasten this consummation, the first great requisite is to instil into the human mind the conception of an aggregate larger, nobler, and more potent for good, than any *little egoistic nomad*. *Society has a life*, the importance of which is, to that of an individual, something as the importance of a species is to that of one of its members. Recognising the weight of these considerations, the Gillette system will spare no pains to make them so apparent that he who runs may read.

It has been said that the first seven years of a child's life make it, and that all the rest is mere *vener*. Certain it is that the education of the young is a matter of vital importance. The ideals of the new system present such marked differences from those of our present régime that the reader will not be surprised to find a corresponding divergence in the methods by which these ideals will be inculcated.

Without attempting to hamper the future by the establishment of hard and fast lines, where such are not required as a safeguard, let us consider the general course of the new system with reference to education.

A child is a bequest *from* the past, *through* the present, *to* the future. At the moment he crosses the threshold of separate existence,



## GILLETTE'S INDUSTRIAL SOLUTION

he constitutes a bundle of inherited tendencies. He is like so much putty which his environment immediately begins to play upon and to knead into definite and understandable shapes, with the important qualification that this *human putty will knead into some shapes more easily than into others*. It seems to possess, if you please, hereditary planes of cleavage, inherited strains and stresses, being tough and elastic here, brittle and friable there,—in short, it is the unreadable, though none the less *actual*, record of the age-long forces which have played upon it.

This human putty has at this time no ideas, for ideas are not innate. It must be taught to think. It knows nothing, and it never will know anything, save what it learns through its senses. These senses are the windows of its soul; without them the psychic temple would forever remain in Stygian darkness. All the light that ever will enter, will shine through these sensory windows. The importance of this fact cannot be overestimated. *It is the greatest truth in the educational world*, albeit one which, were we to judge by present methods, we should almost believe entirely to have eluded pedagogic attention.

We are told that right-handed persons think with the left side of their brains, while left-handed persons use their right side and that so intimate is the connexion between our hands and our brains that, if the right hand of a right-handed person be amputated, his brain will be temporarily, at least, and perhaps permanently, injured.

With the assistance of our environment literally do we build our own brains, and the agencies by which we do this are our sensory mechanisms. Whether or not we get into our own consciousnesses true and just replica of the world without us, depends wholly upon the accuracy of our sense mechanisms. What is the significance of all this? What is the lesson it teaches? Simply this, that the beginning of natural education is *bound* to be, whether we like it or whether we do not like it, a *mere sense-activity*, and that all the assistance we can give to the child is similarly referable to this same sensory mechanism.

This brings us to the exact place where the teacher should begin,—namely, at the senses. The eye, the ear, the tongue, the nose, and the skin of the pupil, are the yard-sticks by which he measures the universe. Right or wrong; just or unjust; true or false; they will be his standards. The duty, therefore, to develop these measuring instruments early and to the utmost, transcends all other educational duties. Let us consider, for a moment, how this duty is performed under our present competitive régime.

Our children are sent to school at an age more often determined by our needs than *theirs*. There they are given over to the deadening influence of abstractions, with seemingly never a thought as to their stultifying effect. In the schools of many of our cities and towns physicians daily are in attendance, a fact which lulls the public conscience into the seductive belief that all is well with the little ones. The moment, however, one begins to make the most cursory examination of actual conditions, he is astonished to find the inefficiency of the whole system. Scholars who are thought to be mentally deficient,

## GILLETTE'S INDUSTRIAL SOLUTION

are found really only to be hard of hearing; others fail in their lessons, day after day, because they cannot see the blackboard, and no one is the wiser. Abundant proof of the accuracy of these statements awaits any one who honestly will investigate. A child not long since was discharged from a public school as foolish, and the parents were urged to send him to a school for the feeble-minded. This advice was followed, with the result that an officer of the institution sent for the father, shortly after the child had been put into his care and said, "I find your boy rather brighter than the average child. The real trouble is that he is deaf."

Innumerable instances of school children who have been handicapped by deficient sense organs, without their teachers ever detecting their condition, might be cited. We already have pointed out, in the previous volume of this work, the fact that thousands of our children are sent to school too hungry to perform their intellectual duties. Add to all these the thousands of others who are handicapped by the imperfect functioning of other organs than those directly pertaining to the senses, and an appalling total is reached. What is done for these unfortunates? Practically nothing. The so-called physical drills are a farce, more often than not considered a mere *fad* of the moment. It matters not to the teacher what may be the *physical* condition of the child, provided he can be made to mark up to a certain *mental* standard of requirement. If the achievement of this result diverts to the brain an undue amount of the scanty blood supply, that will not be held to matter. The only standards are standards of *mental* acquirement. *Anything on the hither side of a corpse which can pass the purely mental examination gets the promotion.* The difference between acquirement and culture, the fact that the intellect may be rendered *dyspeptic* by a superabundance of undigested facts, while the *judgment* remains *thoroughly diseased and undependable*, appears to have escaped the average pedagogic attention.

Pugilists are graded into *classes* from physical considerations, but the like wisdom does not obtain in the schoolroom. The robust and the weak; the full-blooded and the ænemic; the deep breathers and the victims of adenoids; are thrown helter-skelter into the intellectual pen, and he or she who can grind out the best examination is monarch of them all. The dictum of common sense, to the effect that the first requisite of a good man or woman is to be a good animal is passed by unheeded. So much for the unfortunates. Let us see how it is with their more fortunate brothers and sisters.

The sensory efficiency of these varies widely, but no account is taken of this fact. The same stultifying effects which invariably follow the attempt to force abstractions upon minds which live entirely in the concrete world, is noticeable in their case. Their sensory shortcomings, though not specially marked, are yet sufficient to *falsify*, in whole or part, the vast majority of their perceptions. To make bad matters worse, logic, which should be the very beginning of abstract discipline, either is omitted altogether, or reserved until the closing years of school life. By this beautiful provision our educational craft make practically all their voyages *without any compass on board*. Devoid of logical training, and consequently unable to estimate the



## GILLETTE'S INDUSTRIAL SOLUTION

value of evidence, all solemn assertions appeal to them as *facts*, and all *facts* and alleged facts seem to them of the same *size* and *generality*. In this wise are they rendered easy prey for all manner of political, religious and commercial charlatanry. They are more likely to be cajoled by the seductive utterances of a ward heeler, a senatorial spellbinder, or a Mormon elder, than by the most earnest appeals of an able and honest reformer. It is not to be expected that they would come to perceive the perfect relatedness of everything in the universe. Such a régime, instead of teaching its victim to think for himself, as each emergency arises, merely makes him a *reservoir of other men's thoughts*. He becomes a worshipper of authority. Oftener than not he even does not know what he thinks of his own diet, until he asks his family physician. He poisons himself, year after year, maybe, with coffee, or indulges in the fashionable slow suicide of cigarettes, until some doctor closes for him the hitherto open circuit between his brain and vital functions. The tendency of this régime is to teach the *head*, not the body: the *front* brain, not the nerve-centres. The pupil, therefore, does not come into first-hand contact with Nature, but rather with the thoughts of some alleged authority thereupon. The net result of this is that we find innumerable *heads* highly educated, from the standpoint of mere acquirement, attached to bodies which do not know enough to carry them around in a way to escape adverse criticism.

When such a triumphant product of the present régime tries to bridge the gap between college and working for a living, is it any wonder that he finds it an abyss which swallows him? Then, when it is all too late, he perceives for the first time that much of the stuff for which he so diligently has cribbed is but useless impedimenta,—good only for sinkers in the sea of life.

And how is it when we come to a consideration of the development of the moral side of a child's nature? In order properly to answer this question we must pause briefly to consider one of our present ideals. We now are at that particular stage of human development at which we make a fetish of the home. We are prone to regard any one who questions the absolute efficiency of this fetish, as a barbarian imported from outer darkness. That these sentiments are natural, yea, inevitable, a moment's thought will show.

The development of society out of unalloyed, individualistic selfishness has taught us all to feel that there is an aggregate, *somewhat bigger* than our little selves, which is worthy of consideration, and this consideration, raising us as it has, out of the slough of hopeless selfishness, has so quickened the better part of our emotional natures that the whole experience has been extremely gratifying from an ethical standpoint. We have seen, in a preceding chapter, how that care of the young which is absolutely precedent to the existence of the race, has made the family an evolutionary necessity. The law of the survival of the fittest has done the rest. Those who could not, or would not, respect family considerations, fell in the long race for improvement. As an institution the family is second to none of its *own degree of generality*. It is, however, second to those of much wider application and potency for good.

## GILLETTE'S INDUSTRIAL SOLUTION

In the rearing of children parents find themselves confronted with most serious problems. Each household has its own difficulties and, strangely enough, seems unaware of the fact that these difficulties are not peculiar to itself. We are so prone to keep our skeletons closely closeted, that we are apt to think we have a *monopoly* of the dry-bone industry. When, therefore, two mothers become ultra-confidential, it usually results in each being surprised to find the other confronted with difficulties exactly similar to her own.

The majority of parents have no system whatsoever in the rearing of their children. Their course is a jumble of inconsistencies which *lead* nowhere, and may *end* in anything. If love be a dominant factor, and sympathy and forbearance be cultivated, good results will follow, if otherwise the environment be fairly favourable and the child not personally handicapped. If, however, there be dissension in the household, faulty precepts and bad examples, the chances are that the moral nature of the child will vividly reflect these untoward conditions. Those who oppose divorce on the ground summed up in the question; "What will become of the children?" would do well to realise that almost any ordinary fate had better befall them, than to spend their formative years in an atmosphere of strife and re-creation.

What is to be said of those parents who follow a system in the education of their children? This. That system will be reasonably sure to be what is known as the *sheltered system*, or its opposite, the *laissez faire* — the let alone — or the "let them run" method. Each of these is fraught with difficulties. The adoption of the latter course means that the child is subjected to coarse, brutalising influences. These he may in the end, if of the right stuff, rise superior to, but he cannot hope to come out entirely unscathed. If of sturdy moral fibre this régime will teach him self-reliance, consideration for his fellows, and how to make himself useful in the world's work. He probably will pick up one or two bad habits in the process, but these may be lived down, or may not cut too large a psychic swath, if not.

The conscientious parent, however, does a deal of thinking before he sets his loved one out into the street to wade through its moral mud and filth, and relatively few, who can avoid it, have the courage to adopt this course. What, then, has the reverse plan to offer?

Under the sheltered system the child is watched over, often even "coddled." The parent decides what acts he shall perform and what he shall refrain from performing. This deprives the child of the ability to decide for himself, on the one hand, while on the other, it prevents his acts, if performed in obedience, from having any *ethical value* whatsoever. What we mean to state is, that where liberty of choice is denied, responsibility ceases. It is the parent, who prescribes the course to be followed, who, under this régime, is responsible, the child's responsibility ending with obedience. As if dimly recognising this, the parent instinctively shields the child from the natural result of its acts, and this sort of thing goes on, until the young mind falls asleep in the belief that mistakes of judgment are not punished.

So things go until the hobbledehoy stage, sometimes called the



## GILLETTE'S INDUSTRIAL SOLUTION

"age of cussedness," is reached. This is the age at which the primitive savage almost invariably quarreled with his son, because of the unbearable assumption of that egoistic youth. The civilised parent who has used the sheltered system, finds himself confronted, when this age is reached, with a most perplexing problem. Suddenly, as if awaking from a long sleep, he comes to a realisation that the child who, hitherto was obedient to his will, is now determined to have what he calls "*freedom*." Inasmuch, however, as the child has no sense of *responsibility*, the parent sees clearly enough that this "*freedom*" will be merely *licence*, and that the child's acts will be such as will be likely to entail a considerable degree of hardship, either upon himself or others. It is at this point that the *sheltered system breaks down*, and at this point two awakenings are normally due. The parent discovers that he can no longer think for his offspring, and the child discovers, or will shortly discover, that acts are seeds which bear fruit after their own kind. The fond parent even may refuse to abandon the lost cause,—he may still persist in thrusting himself, buffer like, between his child and the results of that child's actions. If so, he but postpones the inevitable. It is more than likely that any attempt on his part to cushion the shock, merely will prevent its being felt at all. It matters not what the child does in response to his own will, if he be shielded from the natural results of that act, then that act becomes an exercise, not of *liberty* but rather of *licence*. This point cannot be too strongly emphasised.

The let alone theory is a process by which the child is thrown overboard in mid ocean to swim of itself to salvation, or to sink helplessly to perdition. The sheltered system on the other hand, keeps the child away from the water until its assertive age, when of itself it jumps in, *ignorant of the fact that it can sink*. If it be fished out the first time, it repeats the process the next day, and so on, until finally left to reap the full results of its own rashness, when it sinks into oblivion, or learns to swim, as the fates may decree.

Whichever of these courses may be pursued, disconcerting losses are bound to obtain, and much worry and heartache to result. In view of these facts it behooves us to consider whether or not the choice is of necessity confined to these two régimes. Personally, we do not believe it is. We hold that the plan, here outlined in connexion with the Gillette system, will show immeasurably better results than either of the other régimes. Let us now consider this plan in its broader outlines, making no attempt to fill in minute details.

The fundamental educational object of the new system will be to instruct children for the widest possible sphere of social usefulness. The end will not be a sheepskin from this college or that university, but will be the attainment of the greatest fitness for the performance of life's duties, and the enjoyment of its legitimate pleasures. As there is nothing compulsive in the Gillette system, there will be no attempt to dictate to parents with regard to any of their activities, provided always that they are non-invasive. Those who continue to worship the home as a fetich, and who believe that, because parents love their children they are, therefore, best equipped to educate them, will doubtless conform their actions to that belief, so long as they

## GILLETTE'S INDUSTRIAL SOLUTION

continue to hold it. Those, on the contrary, and their name should be legion, who perceive that this very parental love *unfits*, rather than fits, parents for the duties of teachers of their own children, will doubtless avail themselves of the opportunities offered by the system for the development of the character, intelligence and physical well-being of their offspring. The love of a mother for her child constantly is interposing itself between that child and the legitimate results of its own acts. More than this; the child soon learns to count in advance on this mother-love, and to perform acts, invasive of others' rights, which, but for this shielding love, it never would dare to perform. A mere passing notice of babies in the street cars and elevated trains will show any observer how young these dangerous habits are formed;—in short, the treatment which the *mother* gives the child is entirely different from that which the *world at large* will give him, and he is, therefore, led, perforce, to a *false concept of conditions outside the home*.

This is why we solemnly declare it as our belief that a better place than the home can be found in which to educate children. In writing this we are not unmindful of the fact that the emotional and unthinking will regard us as assaulting the most sacred social institution. Without any cause whatsoever, and in flat defiance of the facts, they will accuse us of advocating the disruption of the home, and the alienation of those most sacred affections existing between parents and offspring. What we are really advocating, after having painstakingly stated that no adherent of the new system will follow our advice except of his own free will, is a sort of modified school, in which children shall be taught their exact duties to each other and to society, and in which their characters shall be developed without the awful failures which result from, and the appalling risks which are incident to, all our present methods. The child is the future state. Upon him will devolve all the burdens of civilisation. He is father of the man and progenitor of the millennium for which we all hope. His moral stature, his intellectual acumen, his physical well-being, are matters of the profoundest concern to all lovers of their kind. No effort is too costly, no sacrifice too great, if it will round out his being. He is the hope of the ages. Upon his forehead will shine the dawn which we may not live to see. He is creation in a state of flux. Upon us devolves the duty to mould him. How this duty best may be performed, according to the Gillette system, will appear in the ensuing chapter.





## CHAPTER XLVII



The more people a loaf of bread or any given thing is divided among, and the more equally it is divided, the sooner it will be consumed and more bread be called for. To put it in a more formal way, the needs of human beings result from the same natural constitution and are substantially the same. An equal distribution of the things needed by them is therefore that general plan by which the consumption of such things will be at once enlarged to the greatest possible extent and continued on that scale without interruption to the point of complete satisfaction for all. It follows that the equal distribution of products is the rule by which the largest possible consumption can be secured, and thus in turn the largest production be stimulated. . . .

If the division were unequal, the result would be that some would have more than they could consume in a given time, and others would have less than they could have consumed in the same time, the result meaning a reduction of total consumption below what it would have been for that time with an equal division of products. If a million dollars were equally divided among one thousand men, it would presently be wholly expended in the consumption of needed things, creating a demand for the production of as much more; but if concentrated in one man's hands, not a hundredth part of it, however great his luxury, would be likely to be so expended in the same period. The fundamental general law in the science of social wealth is, therefore, that the efficiency of a given amount of purchasing power to promote consumption is in exact proportion to its wide distribution, and is most efficient when equally distributed among the whole body of consumers because that is the widest possible distribution.

*Edward Bellamy — Equality. Permission of D. Appleton & Co.*

All human beings are equal in rights and dignity, and only such a system of wealth distribution can therefore be defensible as respects and secures those equalities.

*Ibid.*

No man is born a criminal; but society gives him, without his will, the ruinous injection. . . . The world is full of badly balanced or badly associating persons; we cannot deny that nature provided them poorly in the struggle for social existence. They are less fit than others, but their ending within prison walls is only one of the many dangers which life has in store for them; the same unfit apparatus may make them unable to gain a position or to have friends or to protect themselves against disease. In short, it is not criminals that are "born" but men with poorly working minds. And yet, who will say where a mind is of just the right kind? No brain works perfectly. What intelligence and what temperament would be ideal? "All the world is peculiar."

*Hugo Munsterberg.*

*Lear.* What, art mad? A man may see how this world goes, with no eyes. Look with thine ears: see how yon' justice ralls upon yon' thief. Hark, in thine ear: Change places; and, handy-dandy, which is the justice, which is the thief! — Thou hast seen a farmer's dog bark at a beggar?

*Glo.* Ay, sir.

*Lear.* And the creature run from the cur? There might'st behold the great image of authority: a dog's obeyed in office.

*Shakespere — King Lear.*

Here's freedom to him that wad read,

Here's freedom to him that wad write;

There's nane ever feared that the truth should be heard

But them what the truth wad indict.

*Robert Burns.*

There is nothing good or evil save in the will.

*Epictetus.*

A thing is worth precisely what it can do for you, not what you choose to pay for it.

*John Ruskin.*

I find the greatest thing in this world is not so much where we stand, as in what direction we are moving; to reach the port of heaven we must sail, sometimes with the wind and sometimes against it — but we must sail, and not drift, nor lie at anchor.

*Holmes.*

The real difference between men is energy. A strong will, a settled purpose, an invincible determination, can accomplish almost anything; and in this lies the distinction between great men and little men.

*Fuller.*

If a man empties his purse into his head, no man can take it away from him. An investment in knowledge always pays the best interest.

*Franklin.*



## CHAPTER XLVII



WE think it well once more to remind the reader that we are now dealing with the Gillette system as it will exist when in full operation. This means that the preliminary stages of each department already will have been passed through, and the educational department will have gotten down to a working basis, somewhat along the lines hereinafter set forth.

Realising the importance of early education, the Gillette system will begin its work with children when they are in the kindergarten stage. It will not try to teach these little tots abstractions, neither will it stultify their intellectual and physical growth by overburdening their minds with memory exercises. On the contrary, its early efforts will be confined chiefly to a *development of the child's faculties*. As a good carpenter begins work by sharpening his dull tools, so the education of a child should begin with the careful preparation of those faculties which are to be its lifelong tools. In order to understand the better how the educational department will proceed, let us follow a child through an imaginary course. We will call this child Willie Jones, and we will assume that his father and mother, after having observed the work of the educational department of the Gillette system, have come to the conclusion that they will have nothing to do with private or other schools, but will turn their child to be educated over to the experts of the new system. Having also satisfied themselves that the kindergarten work of the system is the very best kind of play their baby boy can have, they enter him for instruction before he is four years old. One reason why they do this, is because they wish to get him under the eye of the school physicians before any physical weaknesses he may possess have had time to develop serious consequences. On a bright Monday morning in spring, therefore, we may imagine little Willie Jones as becoming enrolled as a scholar.

After the formalities of registration have been completed, Willie is passed over to the school physicians. He is stripped, weighed, measured and given a thorough physical examination. His blood is tested and a record made. His breathing capacity is measured, and set down on a chart side by side with the statement of what it *should* be for a child of his age, sex, size and weight. The same process is repeated with respect to his physical condition generally, and a record of each particular is made upon the chart. If deformed in any way this is carefully noted, and if the deformity be such as cannot be cured, due allowance is made with reference to those measurements affected by the deformity. The purpose of this will appear later. If, on the contrary, the deformity is capable of cure, or if it merely be a lack of development,— as for example deficient breathing capacity,

## GILLETTE'S INDUSTRIAL SOLUTION

—the child will not be allowed to advance, to any considerable degree, along intellectual lines, till all such defects are remedied. The object of this is to use the child's desire to advance,—his spirit of emulation,—to induce him to develop himself physically, so that his health, *first of all*, may be assured. Another object, no less important, is to guard against the diversion to the brain of life forces which cannot be spared from the other centres. This will ensure a *healthy animal*, which is the prime requisite of an all-round good citizen. In the case of an incurable deformity, the child will not be discriminated against, for reasons of justice. In order to reach the highest possible health development, pupils will have a monthly physical report, as well as a report similar to that now in ordinary use, and their *rating* will be figured from *both* these reports. If the *physical* report does not mark up to the required standard, the pupil will not be passed on to the next grade, *no matter what intellectual attainments are vouched for by his mental report*. In this manner will be stopped at once that awful spectacle of a child of low vitality working itself into an early grave for the sake of a coveted promotion. In this way, too, consumption will be driven from the face of the earth. If Willie Jones is found to have an adenoid growth, a condition of affairs extremely prevalent among school children of to-day,—it promptly will be removed.

Let us suppose that the examination gives baby Willie a clean bill of physical health, and that his charts are all satisfactorily filled out in duplicate, one copy thereof being recorded in the school archives, and the other copy going to the central bureau of vital statistics for census purposes. Consider for a moment how valuable these measurements will be for scientific purposes. The chart will show the child's facial angle; the set of his eyes; whether his face is symmetrical or assymetrical; any peculiarity of the ears, mouth or other organs. If, now, there be any truth in the assertions that certain peculiar facial characteristics imply certain mental and moral characteristics, it will be easy to find it out beyond a peradventure. It may be well to state here that all the other characteristic measurements of Willie Jones will be treated in like manner, so that the file-wrapper or envelope marked "Willie Jones" will contain the fullest possible record of the character, intelligence, physical attainments, sensory capabilities, and personality of Willie Jones, baby, boy, youth and man.

Let us now return and see what happens to Willie Jones after the examination aforesaid. The next thing in order will be the preparation of his sensory chart. It is a well-known fact that criminals, and persons of deficient or warped mentality, ever are prone to exhibit marked sensory shortcomings. The researches of criminologists have established the fact that many immoral women show an abnormally great indifference to pain in certain regions. For example, in one instance, a woman had a leg amputated without the use of anesthetics and without exhibiting any sign of pain. Professor Dubois Raymond has devised a little "sleigh" which is used in testing the degree of feeling exhibited in the various parts of the subject's body. We also are informed that most criminals, of the class known as habitual criminals, exhibit facial peculiarities which



## GILLETTE'S INDUSTRIAL SOLUTION

at once attract the attention of the expert,—for example, the lower jaw is apt to be heavy and brutish; the ears ill-formed and perhaps not mates; the teeth those of degeneracy, with perhaps a restricted arch; the nose laterally displaced; the eyes, perhaps, asymmetrical; and the brows noticeably out of the ordinary. While it is quite possible that criminals exist who show few, if any, of these peculiarities, it is extremely probable that the mass of testimony submitted by criminologists is, in its general trend reliable, and that there is, beyond a peradventure, a marked tendency of the inner man to advertise himself in the outer man. Vastly more important than this consideration, however, is the scientifically established and incontrovertible fact that the *full activity, the highest efficiency* of all the organs, *particularly the sensory organs*, makes toward *right-mindedness and virtue*.

To see that this *must* be so, we have only to remember that the brain itself is *literally built up*, cell by cell, through the agency of the senses. *Truth is but consistency with genesis*. Every fact in the universe fits every other fact with a close joint. If the senses, therefore, deliver correct messages, the record made will be a record of *fact*, a statement of truth, and these true statements, as they become more and more numerous, will weld themselves into a perfectly interfitting, homogeneous, consistent mass of verities, which make themselves felt in character as *right-mindedness*. If, however, the senses are inefficient or untruthful, just the reverse occurs, with the result that the mind of the victim perpetually is tossed upon a sea of inconsistencies with no anchorage in truth. The brain becomes a kaleidoscope of ever-shifting vagaries; the will is paralysed by conflicting and counterbalancing forces; and emotion enters in to become the dominating factor. There are as many seemingly correct judgments *for*, as *against*, and the balance of power is wielded by the *temporary desire*. The ugly, crooked and ramshackle structures of falsehood, which can be builded out of bricks, each one of which is but *little distorted in shape*, is something awful to contemplate. Does it not behoove us, then, to use every endeavour so to educate each child that the building blocks he uses in the temple of truth shall be perfect in shape? To do this is to cultivate each of his senses to its highest degree of efficiency, and this is precisely where the Gillette system will begin the education of the child.

When Willie Jones passes up for his sensory examination, his eyes will thoroughly be tested and all the necessary facts pertaining to them recorded. If one be stronger than the other, that fact will be noted. If he be far-sighted or near-sighted, if he have anything the matter with the focus of his eyes, these things also will appear upon his chart. These records made, he will then be tested for colour-blindness, and this test will be graded according to the age of the pupil, and be made more rigorous from time to time as the child develops. With a very young child it is manifest that little more could be ascertained than his ability to distinguish between one colour and another, for a baby, of course, could not be expected to know the *names* of the colours.

Next, the child's perception of angles and sizes will be taken up.

## GILLETTE'S INDUSTRIAL SOLUTION

It is probable that men, as a rule, see things larger than they actually are, while the feminine tendency seems to be to see them smaller. Relatively few people see them as they *are*. The subject will be tested upon his size-perceptions. In drawing a mountain peak it seems to be natural for almost everyone to make the angle of the peak too acute. A correct perception of angles is of great importance to visual accuracy. The same may be said of an accurate estimation of distances. Judgment of distance is chiefly formed from an estimation of size, and a consideration of colour-values, or colour perspective. The examination, therefore, will add to its tests regarding size, other tests regarding distance. The thoughtful reader will not need to be told that there will be many other minor optical data which will be of great value and which will find place upon each chart. For example, rapidity of vision; strength of vision in terms of the luminosity necessary to sight; keenness and discrimination in observation; and many other things too numerous to mention here, all will help to make this optical part of the chart the most perfect story of the subject's eyes which it is possible to write.

With reference to the applicant's hearing, the chart will be equally explicit. It will show whether or not the ears are mates, in point of strength; whether or not they hear similar sounds *equally well*; and whether or not they are *equally* attentive and discriminative. The accuracy with which each ear, considered by itself, locates the direction of sounds will be recorded, and then the accuracy with which both ears, taken together, will perform the same function. Then will come a statement of the facility with which each ear estimates distance, followed by a record of the efficiency of the two ears taken together. The subject will then be tested with regard to his ability to tell what produces various sounds. It often happens that people who correctly can *locate* a sound, have a very low efficiency in determining what *causes* it.

The pupil's *limits* of hearing next will be tested, and it doubtless will be shown that these limits will have, in different cases, the enormous variations represented by the upper limits of thirty-eight thousand and sixty-eight thousand per second. Then will come a test of the ear for pitch, for concords, discords, musical beats, tone colour or timbre, and the ability to analyse the same. These tests will have elementary simplicity for the young child, and become more exacting as he advances. The alertness of the hearing, the ability to analyse sounds, and the degree to which noises are able to obscure the sound to be listened for, as well as many other data, will form part of the exhibit of the condition of the pupil's organs of hearing. It is also probable that this will be thought the fitting place to indicate the subject's polyphonic ability, by which is meant his facility to reproduce sounds which he hears, for this ability is, in great measure, the gauge of the accuracy with which the sounds are heard. Perceptions of rhythm, of tune and of harmony, in the evolutionary order mentioned, also will be considerations worthy of note.

With regard to the organs of smell a similar course will be pursued. The accuracy with which the subject detects odours with each nostril separately, and with both together, will be recorded. The



## GILLETTE'S INDUSTRIAL SOLUTION

delicacy of each nostril will be tabulated. The estimation of distance and direction, and the facility with which the subject is able to name the odour and tell from what it proceeds, as well as his ability to analyse complex odours into their component causes, will all be data for record. The rapidity with which odours can be detected; the effect of the odours upon the subject, whether agreeable or disagreeable; the tendency of odours, in some cases, to suggest colours; and the associations which various odours call up, will be subjects worthy of consideration in the charts of more advanced pupils.

With respect to taste the tests will be so closely analogous to those for scent, that little need be said here regarding them. The delicacy of the subject's taste; his ability to analyse complex compounds; and his ability to locate, or correctly to assign each taste to its proper source, as well as a record of his likes and dislikes, with respect to a standard set of objects to be tasted, will all form data of interest.

In the matter of feeling the subject will be tested at various parts of the body with regard to sensations of pressure, heat, cold, and with respect to the shape, size and general characteristics of the object touching him. The exact point at which certain pressures become painful will be located. He will be tested with regard to oversensitive and undersensitive areas. His behaviour under tickling also will be noted. In this connexion it probably will be thought best to include the subject's responsiveness to various stimuli, and his rate of nervous transmission. This, in the majority of cases, will probably be found somewhere around ninety feet per second, but in individual cases it will vary materially from this point, and even may, in the same case, vary somewhat at different times.

After the completion of this sensory chart little Willie Jones will be given a general observation, or concept test. This in his case, on account of his age, will be elementary, but as he grows older it will be increasingly exacting each time it occurs. This observation test will consist of a number of definite objects which will be passed to the subject with the request that he tell, or if old enough, that he write, *everything that he can discover concerning them*. When the subject has written, let us say, all that he is able to discover through his senses regarding, say, ten objects, the record of these ten tests will be an exceedingly valuable exhibit of his sensory efficiency, were no other to be had. Taken, however, in connexion with, and checked by, the separate sense-charts, it will be the *most perfect record imaginable of the subject's intellectual equipment*. It may not, in every case, tell the *quantity* of the subject's intellectual acquirement, though usually it will approach it very closely, but it will tell the *quality* of his intellectual content, which is *vastly more to the purpose*.

A copy of all these charts, to which doubtless will be appended, for purposes of identification, the subject's thumb-marks, rhythm of handwriting and any other personal peculiarities which may be deemed important, will all go to the proper bureau of vital statistics, and will be placed in the file-wrapper or envelope bearing the subject's name. The examination of these file-wrappers, or collection of documents, by the next generation, in connexion with the history

## GILLETTE'S INDUSTRIAL SOLUTION

of the individuals they represent, will conclusively determine innumerable scientific points of the utmost value.

In this way will teaching, for the first time in history, become an exact science. The experiences which Willie Jones goes through will be duplicated by his sister, Annie, for the new system will not discriminate any more between sexes than between races, nations or creeds. The girl will be educated for economic independence, precisely as the boy is. The same care will be taken to round her out morally, mentally and physically, as is bestowed upon her brother, for the new system *absolutely repudiates* the idea that women must of necessity be weak physically, mentally or morally. It aims to emancipate woman from the limitations which hitherto have been imposed upon her, because of her sex, and to raise her to the same plane of self-sustaining importance which her brother will occupy. There will be little, if any, of the work of the new world which she cannot perform, if she wish to undertake it, and she will be as free as her brother to follow her exact bent in the matter. Being economically independent she will not marry merely for a home. Under the new régime marriages will represent love, rather than economic necessity. The ordinary work of woman, the household drudgery which now consumes the large part of the lives of the women of the masses, will be performed by trained experts, equipped with every appliance, and educated to take pleasure in their work. Of course, if a married couple wish to conduct their family life as if they were living under the present régime, no one will compel them to do otherwise. The woman can do her own cooking, scrubbing, washing and ironing, if she wants to, but we have a strong suspicion that few women will prefer their own hard-earned, inferior product to the more easily procured, higher grade article of the organisation.

Returning, now, to a consideration of Willie Jones's career, we find him being taught to reason, as soon as his senses have been sufficiently developed to warrant it. At the same time he is educated in manual dexterity, in the use of tools, in music, drawing, and those activities which are acquired with great ease by a child, but which come very hard to one later in life. The training of the child's subconsciousness is accomplished at this stage. His growth is rendered the more rapid by the perfection of his environment. His love of animals is profitably gratified at the zoological garden. His interest in the mysteries of the sea is quickened at the aquarium. His familiarity with science constantly is augmented by repeated visits to the Science Theatre. Here, on one day, he has spread before him all the wonders and beauties of colour and form, with the proper scientific explanation of the methods by which they are produced. He will be as familiar with a diffraction grating as the children of to-day are with the lens. Upon his next visit to this theatre, perhaps, the "play" will be *sound*, and he will be initiated into the intricate beauties of harmony, timbre, melody, rhythm, together with the marvellous sound-pictures which delight the eye, even as their accoustical counterparts entrance the ear. The result of this educational régime will be that all children of both



## GILLETTE'S INDUSTRIAL SOLUTION

sexes will acquire an interest in, and a love for, scientific truths. No longer shall we hear the *astonishing assertion* that science is "dry and unpoetic."

There also will be the Theatre of Art, which still further will cultivate the child's love for the beautiful. Let us reflect for a moment what this means. There is probably no more *regenerating force* in the universe than an intelligent appreciation of the beautiful. The power of this environment will be such as will quicken the dullest mind to useful endeavour.

We have shown, in the earlier chapters of this work, what a tremendous factor for good or evil is environment. The earlier years of Willie Jones's life will be spent in general education. No time will be wasted. He will not be taught dead languages, or but slightly useful living ones, on the ground that they *cultivate his memory*. On the contrary, he will learn to speak and write Esperanto, or some other universal language, with fluency. The advantages of Esperanto are manifest to all who can bring an unprejudiced mind to bear upon the subject. It is hardly to be expected that linguists, who make a business of teaching the all-but-unfathomable intricacies of foreign languages, invariably will take kindly to so simple, logical and easily mastered a language as Esperanto—a language invented for *use* rather than to confer *educational distinction* upon those who are able to master it. Whatever may be the fate of Esperanto, we may be reasonably sure that the new régime will so fully realise the value, nay, the absolute necessity of a common tongue in bringing about the perfect brotherhood of man, that *some sort of universal language will be devised which will answer the needs of the new society*. For ourselves we cannot see why Esperanto may not be developed perfectly to fill this requirement. If, under the new régime, the scholar is not taught a vast amount of relatively useless classics, on the ground that it is necessary to his general culture, neither will he be taught an illogical and ridiculous, as well as extremely labourious system of spelling, on the ground that it cultivates his memory, for there will be plenty of things *intrinsically of value* which are quite as capable of cultivating memory. For example, learning the chemical components of common compounds is a splendid aid to the memory, while it also possesses the great advantage of being extremely useful. It is quite possible for any intelligent youth to learn the *fundamental principles underlying all departments of science*, and it will be the effort of the new system to see that each of its scholars has a just conception of the scientific world which lies all about him. When the pupil has proceeded thus far, he will begin to fit himself for some chosen line of work, and, long before he leaves school, he actually will be doing this work for a good part of the time,—indeed, the process of finishing school-life merely will be a process of giving more and more time to the chosen calling, and less and less time to the other school activities. There will be, therefore, no sharp line between school and work, and no pitiable educational debris thrown out upon the seething sea of life to sink in its depths, because it has never been educated to swim.



Basement of Tenement House in Block known as "Lung Block," because of prevalence of tuberculosis. No daylight — gas burning at midday. A woman in the last stages of tuberculosis working on fancy collars.

Reproduced from Report of "The Consumers' League" of New York.





## GILLETTE'S INDUSTRIAL SOLUTION

If at any time after leaving school, boys or girls, men or women, desire further education in some particular branch, they at any time can get instruction, for the schools will be run upon a basis which will enable any pupils over fourteen to be *fully self-supporting throughout their scholastic life*. The effect of this system of education upon invention and discovery will transcend the dreams of Utopia.

We are told that a *single* bee knows nothing. That he is utterly unable to do anything *alone*, while the hive of bees, of which he forms a part, is marvellously intelligent. In like manner human beings have their "*spirit of the hive*," being capable of *socialised* intellectual efforts, beside which the petty attainments of *individualism* appear as nothing. There is a *corporate mind* which thinks, and a *corporate soul* which feels, and once this mind and this soul finds itself in proper environment, the world will be made to blossom as a rose.

Crime, with all its attendant expense of prisons, police and complicated machinery of what would be *justice* if it were not *something else*, will disappear. Want, and the fear of want will cease to cast their heavy shadow over humanity. Fear will become a noonday scarecrow which will be laughed into oblivion, dragging after it most of the diseases to which flesh is heir. The few sick who remain will be cared for in hospitals provided with such scientific treatment and pleasant entertainment, as will cause them to be *rid* of their ills if that be possible, and to *forget* them if not. Such scenes as that depicted in the accompanying cut typifying a double fear, that of want and that of disease, will no longer be possible.

As a natural result of, and assistant to, the new system of education, there will grow up various sister institutions. There will be a grand Temple of Science, ministered to by the ablest scientists of the world. The discoveries of these men at once will be advertised and diffused for the good of all, instead of selfishly withheld or manipulated for personal gain. These scientists each will be within instant reach of every other scientific worker. If the optician need an electrical fact, he will have but to press a button to find himself talking with the head experts of an electrical department. If the electrician wish a bit of chemical information, the method will be the same. The pressure of a button places one in connexion with the Bureau of Vital Statistics, the department of Agriculture, the experts in Meteorology, and so forth; and so forth. The great inventor of the future will not have to waste weeks of his valuable time reading through *Watt's Dictionary of Chemistry* for a certain compound. On the contrary, he will need only to press the appropriate button, tell the characteristics of the substance he wishes to secure, and the department of chemistry will do the rest.

It constantly must be borne in mind that, under this new régime, human needs can be gratified by two or three hours' work a day, so that there will be plenty of time left for extra culture and voluntary social service. The result will be that many men and women will go into scientific and artistic pursuits in their leisure time. The



## GILLETTE'S INDUSTRIAL SOLUTION

one great badge of respectability will be *social service*, not ostentatious idleness. He will be most looked up to and revered who most has benefited his fellows. There will be, therefore, a constant spirit of emulation, a persistent desire to merit good-will through service. This, it will be seen, *stands our present competitive system on its head*. Now, power and distinction, not to say applause and reverential cringing, come to him who *wastes most and serves least*. *Ostentatious idleness* is now the badge of enviable power. Silks, satins, diamonds, palatial residences, retinues of servants, gaudy equipages and princely expenditures, confer distinction and excite envy. Under the new régime such vapid follies would meet with an outspoken ridicule which they could not survive a fortnight. Diamonds would be the badge of vulgarity, and if their wearer tried to justify them on the ground that he loved them for their beauty and not their *expensiveness and consequent ostentation*, he would laughingly be invited to examine a diffraction grating, which, though worth but a few dollars, would put the *Kohinoor* to blush, in the matter of beauty.

We are told that among savage tribes, if one find a child who is hungry it is *absolute evidence that the chief also is hungry*. With our present competitive régime the *hungry child proves that the social chiefs are riotously wasting sustenance*. Under the new system, the misfortune of one will be alleviated by all. Need we point out that all this will give rise to a *new religion and a new church*? A religion in conformity with the fundamental teachings of Christ; a religion where each man will realise himself his brother's keeper; a religion in which it indeed will be more blessed to give than to receive, and in which the Golden Rule will find universal expression in that public opinion which is the social conscience; a religion without dogma; useless sky-scraping; hair-splitting creeds; egregious demands upon credulity; without limitations as to colour, nationality, race, sex or social condition; — a religion merely of *justice and love*, — *the full flower of the complete brotherhood of man!*

## CHAPTER XLVIII



The American people seem not to have the slightest conception of what it means to have the railroads—the very arteries of the nation—*held as private property*. Our imagination seems never to have surveyed the scope of their power. Whoever controls the railroads is an absolute master of the commerce and industries of the entire nation.

This is the power of the railroad that it CAN SCOOP IN THE WHOLE MARGIN OF COMMERCE between two given points. Let us illustrate what I mean by *scooping in the whole margin of commerce*. Once when potatoes were only 10 cents a bushel in California they were a dollar a bushel in some of the nearby territories. And so some merchants decided to ship potatoes.

But before doing so, they went to C. P. Huntington, President of the Southern Pacific, and asked him what would be the freight rate on a bushel of potatoes to the territory in question. Mr. Huntington said, "Well, now, let us figure on that a little. What are potatoes worth here?" "Ten cents a bushel." "What are they worth out there?" "One dollar." "Then there is a margin of 90 cents between these two points?" "Yes, sir." "All right. The freight rate will be 85 cents."

And yet this mighty, this *limitless* power of the railroad is now within the grasp of half a dozen men. And the same half dozen men who control the railroads *also control the trusts* and the municipal franchises. And, I might add, incidentally, they also control the states, the cities, and the nation. These kings of the Republic, these autocratic, merciless czars of the industrial world are masters of an empire more vast than the empire of Rome, and are more powerful than the Cæsars!

*Lee Francis Lybarger.*

All agree that the system of rebates or two prices for a commodity or a service is wrong, unjust and immoral. However, the three learned professions, as yet, have issued no tariff. They all openly and brazenly practice rebating. Doctors charge from five to five hundred dollars for a similar service. Lawyers take all you have. Preachers exist on tips and therefore take what they can get.

*Elbert Hubbard.*

Wealth is to be produced primarily for consumption, not for profit as at present under capitalism. From the standpoint of the wealth producing class, profit is waste. We seek to eliminate waste.

*O. C. Hitchcock.*

The Federal court injunction is obsolete. United States soldiers are the up-to-date means to break strikes, to reduce wages, and to enforce respect for non-legal tender scrip.

*Thornton West.*

The corner stone of our state is economic equality, and is not that the obvious, necessary, and only adequate pledge of these three birthrights—life, liberty, and happiness?

*Edward Bellamy—Equality.*

To escape criticism: do nothing, say nothing, be nothing.

*Elbert Hubbard.*

We are made for co-operation. To act against one another, then, is contrary to nature; and it is acting against one another to be vexed and turn away.

*Aurelius.*

The strongly enthroned Ego concept of more ancient times; buttressed hugely by the dark savagery and sordid barter of as ancient religions, has successfully evaded the recognition of Christianity's great central truth, that man is one. Not only that God is one — Jew and Mohammedan know that; but that *man* is one — that we are inextricably interconnected, and cannot be considered separately. "No man liveth to himself, nor dieth to himself." "He that seeketh his life shall lose it, and he that loseth his life for my sake (man's) shall find it." "Inasmuch as ye have done it unto one of the least of these, ye have done it unto me."

*Charlotte Perkins Gilman — Human Work.*

Fear or the wage-lust are yet the necessary spurs to persevering co-operative endeavour. And as we change from one incentive to another, let us remember that it is a mistake to drop the former before we have attained the latter, for civilisation might expire in the interim. Love of money must last until love of work and neighbour is ready to take its place. So long as we are greedy for money the wage-system suits us, and we have as good a civilisation as we deserve.

*Ernest Crosby.*



## CHAPTER XLVIII



ONE of the worst charges which, with perfect justice can be brought against the present competitive system is that it makes toward the *moral degeneracy of the individual*. Our present era of graft and corruption is the inevitable result of our present régime. The well equipped philosopher could have predicated it all from the start. In his wonderful series of articles upon municipal corruption, Mr. Lincoln Steffens called attention to the fact that this corruption was the direct result of the entrance of the *business man* into politics. The hue and cry of the people was that their cities should be managed by *business men* upon *business principles*. As the result of this desire they elected to office successful business men who proceeded forthwith to give them just what they had asked for, to wit, a management along business lines. These business men, however, had been educated in the unsqueamish school of cutthroat competition;—the school which had taught them that *number one was the greatest of all integers*,—the thing of all things to be good to. In compliance with this lifelong education, they conducted their political careers as *private enterprises of their own*, with results which have spread corruption to the four corners of our country. All this, as we have said, easily could have been told in advance by any one who knew that the fittest inevitably would survive, on the one hand, and that the fittest under a *competitive régime* would be the man with an ingrowing habit of thought,—a man whose actions all toed inward,—in short, a commercial individualist.

The competitive régime is in absolute defiance to the Golden Rule, since it bids its votaries get all they can for their wares, and let the other side do the same,—such approach to justice as results being due to a balance between two opposite *endeavours to overreach*. The point is right here; competition leads men's minds *away* from considerations of justice to their fellow men, and *to* considerations of undue generosity to themselves. It is rank individualism, and there is no place whatever for it in the Christianity of Christ. Is not the entire life of the Saviour, yea, His death as well, the strongest possible protest against everything for which competition stands? We see, therefore, that individualism of the competitive sort cannot, by any possibility, result even in a moderately perfect state, for the simple reason that individualism is the most *unsocial* and *socially disintegrating* force in the universe. The moral slough of commercialism, in which the race now wallows, is merely the *closing symptom of the competitive disease known as individualism*. This disease has well-nigh run its course, as is shown by the fact that all over the world competitive ideals already are on trial for their life, while the system

## GILLETTE'S INDUSTRIAL SOLUTION

embodying them is breaking down on every hand. As environment changes, that which, under a former régime, was the fittest to survive, and which accordingly flourished, becomes doomed to decay and eradication. The world is moving from a *physical* on to a *moral plane*, and on this plane the *individual*, which was *everything on the purely physical level*, becomes as *nothing* on the higher *moral level*, for upon this level the aggregate is larger and comprehends all society.

This is the process by which Nature, after having made good use of competition in the primitive jungle, puts by this outgrown and now worse than useless institution, to make room for the higher dispensation of altruism. This does not mean that, upon this plane, men will act in *conflict* with their own personal interest, it only means that on this plane, intelligent beings will see that the *social* interest is their highest *personal* interest. Does any normal man doubt that there are more actual, individual units of pleasure in a noble and self-sacrificing life than there are in a selfish, ignoble and brutal existence? The criminal, of course, either does not think so, or he lacks the ability to govern himself in accordance with such a conception. So, too, is it with our present products of competition. They have yet to learn that there is a socialised happiness, beside which an individualised happiness is as naught. The teaching of this lesson will be the work of the new régime, and it all will be accomplished through the mere change of environment.

Luther Burbank tells us that we can change the nature of a plant only by changing its environment, and in this respect we may regard men as plants, for it is just as true of them, that they can be changed only through a change of environment. If we think deeply and radically upon the matter, we shall see that *any other* theory would be a predication of *perpetual motion*. Every activity a human being has is the result of present or past external stimuli, and these external stimuli are mere expressions of his environment. The great thing, therefore, is to change environment. This does not mean merely physical environment, but moral environment as well. We are told that when a bee becomes an *individualist*, gathering honey unto himself and ceasing to be dominated by the "spirit of the hive" his fellows immediately kill him. This *competitive bee*, looking out for number one, and quite willing his fellows each should do the same for himself, is not considered fit for the bee-society, and is accordingly exterminated. In the *human* hive of to-day, the overwhelming majority of the bees are of this *individualist* type, and it is the object of the new system to endow them with the "*spirit of the hive*." As the single bee knows nothing, while the hive is extremely intelligent, so the knowledge of the individualist will be as nothing to the knowledge of the social organism.

The lesson of all this is that we must look for human betterment through a change of environment. Under the new system children will be educated from babyhood by a corps of trained experts, who will build up their infantile minds and bodies, and develop their characters to a degree of perfection with which the ordinary home cannot hope to compete. In this way will be avoided the awful dan-

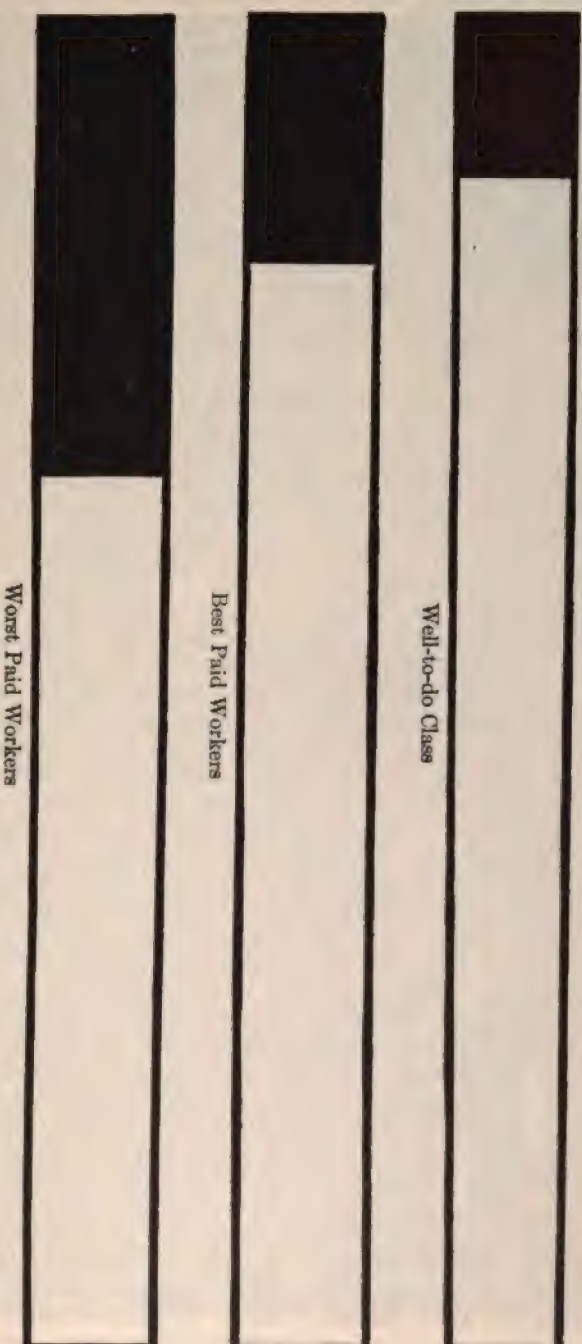


## GILLETTE'S INDUSTRIAL SOLUTION

gers of the sheltered and of the let-alone systems of child-rearing, since, under this system, it will be possible from the start to give the child liberties, with their accompanying responsibilities, while at the same time seeing to it that nothing that will permanently injure him results from his abuse of these liberties. Parents ever are prone to injure the characters of their children either by too great leniency, or by too great severity, and children, on their part, treat their parents in a way that they would never think of treating an outsider. The great point is that, since children are to pass the best part of their lives with outsiders, it is an excellent plan for them to learn properly to comport themselves, under these circumstances, at an early age. Those who place their children in the charge of the new system's experts will be astonished at the results which will follow. Disease, and the tendency to disease, will, for the most part, be stamped out at the start. How much could be accomplished in this way, by offering the poorer classes only such opportunities for health as the well-to-do class *now* possess, will be seen by a perusal of the accompanying diagram which is reproduced from the first volume of this work. Under the new system, not only would this be done, but the health of the present well-to-do class would be enhanced many fold. As things are now, the child of the millionaire is even more liable to die of an infection proceeding from a beggar, than from one in its own station.

The child's sensory equipment, and consequent acumen, will be raised to the highest possible point of efficiency. Those correct habits, which are so hard for *parents* to cultivate in their offspring, will come as naturally as the air the child breathes, from sheer force of environment. Send your boy to college, says Emerson, and the other boys will educate him. The punctual rising of ninety-nine boys will create a public opinion which the hundredth one, laggard though he be, cannot face. Large ships draw lesser ones into their wakes, and large masses ever are prone to dominate small ones. The mixing of children with each other will call out the best that is in each, under the stimulus of expert educators. The morality of children thus reared, will far exceed that of the home-made article, and, by this method of education, that awful line of perplexity which divides the home from the world will be crossed so gradually and easily that its presence will not be apparent. To use a homely illustration, our present means of education may be likened to a process whereby our offspring are kept for eighteen or twenty years away from the sight of water, and then, on one fateful day, thrown bodily overboard in mid-ocean. The new system, on the other hand, may be likened to a régime which takes the baby to the seashore, removes his tiny shoes and lets him wade and paddle in the water. Each day, as he grows older, he wades deeper until, without knowing just when it happened, he has learned to swim. You may throw him overboard, at the age of fourteen, and he will give a good and smiling account of himself, while the product of the other system oftener will sink at twenty-one. The power of this environment of complex merits,—an environment not limited by the home horizon and not tainted by

Showing Relative Death-rates per 100,000 Persons in Different Classes [\*]



[\*To prevent a possible misconception of this diagram we would call attention to the fact that the enclosed white spaces, added to their accompanying black areas, do *not* represent 100,000 persons. The diagram would have been clearer had nothing but the black areas been shown, since all that is intended to be conveyed is a proportionate relation between the number of deaths in the three social classes described. A relation which would hold just as true with 1,000 as with 100,000. THE AUTHOR.]



## GILLETTE'S INDUSTRIAL SOLUTION

the home struggles, fears and bickerings, now so prevalent, is well-nigh beyond words to express, or imagination to conceive.

We are quite well aware that some will feel that mother-love is omniscient; that because a woman loves her child she *instinctively* knows what is best for it. All men and all women who have given this matter serious thought and investigation know only too well the utter fallacy of this contention; indeed, the greater the love the *less likely* is the mother or the father to treat the child in a way to bring out the *best that is in him*. We are aware, too, that there are still others who, knowing that the system's experts could do better for their children than they could, would at first feel that they could not part with them for all that, and to all such be it said that that matter will rest entirely with their own wills. They will see what the system accomplishes, and then they will do as they desire regarding their own offspring.

To a mother, the suggestion that any one else should teach her child, touches her in a supersensitive spot, the more so, indeed, because she gratuitously assumes that this means that her loved one is to be estranged from her. She does not pause to think that she now sends her child to school, without any such fear, and that under the new régime there is not the slightest reason why she should not see him every day of the year, enjoying all those confidences that she now enjoys. This tendency to set up a scarecrow, and then ourselves get frightened at it, is world-wide. Children make up ghost stories and tell them until they are themselves afraid to go to bed, and we are all but children of a larger growth. When, however, mothers come face to face with the methods and the results of the new system of education, the overwhelming majority of them will be astonished that they ever could for a moment have doubted its superiority over the old family method. And what of the small minority? They doubtless will think otherwise, and will continue along the old lines, dearer to them than any superior results whatsoever which come from any other method.

One of the greatest changes of environment which will follow from the new system, will be the total eradication of fear. *Fear is the real devil*. Its potency for evil is greater than that of any other imp of darkness ever conceived. The Orientals test the guilt or innocence of suspects by causing them to chew rice. If it remains dry and they cannot swallow it, they hold them guilty. In this way they ascertain not the *guilt* of the suspect but rather the amount of courage and assurance he can command. Fear checks the flow of saliva. If he be afraid, the rice remains dry and he cannot swallow it. In like manner fear checks the flow of other bodily secretions, and results in a general derangement of the whole physical system. Nor is this all. What occurs in the *body* has its *replica in the mind and soul*. Fear saps the foundations of our existence, mental, moral and physical. The researches of the last quarter of a century have shown us the vital relations existing between *fear* and the *hypnotic state*. We now know that many an alleged suicide was merely a victim of the autohypnosis of fear. Many a person who has jumped from a great elevation, and been dashed to pieces, has done so sim-



THE RUSSIAN FEAR

Copyright, 1905, by the S. S. McClure Co.  
From the Painting by Sigismond de Ivanowski





## GILLETTE'S INDUSTRIAL SOLUTION

ply because he was hypnotised by the fear of falling. We are told that rabbits may be hypnotised by frightening them with a bright light flashed in their eyes, and that each time, they yield to the influence more easily than before. Repeat the experience often enough and they die, at which time, it is said, an examination will discover a blood clot in the victim's brain. It will be remembered that this light-flashing ordeal was inflicted upon Dreyfus, in the hope to break down his reason. It is well known that the fear of a disease tends to invite it, and, indeed, there are bacteriologists who now claim that some of the antitoxins produce their effects by giving the white corpuscles a sort of "Dutch courage" which causes them to attack and destroy the germs from which they otherwise would flee in seeming terror. *Fear is the greatest of all disorganisers.* Its disintegrating influence is too well known by the observing to require more than a passing allusion.

The accompanying plate entitled "The Russian Fear," which we reproduce from the first volume of this work, gives an artistic, forceful and compelling illustration of the psychology of fear. One needs but to look upon the terror stricken countenances of the picture to realise what a nerve-destroying, death-dealing, soul-searing emotion fear is.

Let us briefly consider how the Gillette system will eradicate this dragon of dragons. In the first place, everybody *able* to work *will* work at something, and that something will be anything they choose for which they are fitted. Thus will disappear the fear of being condemned to worry through a miserable existence in some uncongenial pursuit. This is a present *fear* and present *reality* which afflicts a good half of the human race. Again: every person will be sure of an opportunity to work, and to receive for his work *exactly what it is worth*. It matters not whether the department he elects to enter be *overcrowded or not*, he will always be sure of getting work in it, for the "*no-more-help-wanted*" sign will never be used under the Gillette system. Thus will disappear another great fear—the fear of want through enforced idleness. Those too young to work, together with the sick and physically incapacitated, will amply be provided for, while the aged who have performed good service, will be pensioned by a method of *universal insurance* which need not be elaborated here. The radical change of environment; the raising of the ethical standard of the world; the scientific discoveries which will quickly follow the establishment of the new régime; the greater leisure; better sanitation; and the happier lives of the people will reduce disease to a vanishing quantity, thus eliminating yet another fear. The change of public sentiment regarding labour, the realisation that not to work is the disgrace of all disgraces, will cure parents of the desire to hoard, in order that their children may be provided for, and thus rendered immune from useful service. The fears which now make the parent anxious to forestall the future with regard to his offspring will then not obtain, and the result will be that hoarding practically will cease. As a corollary of this result, consumption immensely will be enhanced, with a corresponding increase in human happiness. The free exchange of commodities un-



## GILLETTE'S INDUSTRIAL SOLUTION

der conditions of exact justice, will effect a revolution of which it is hard to conceive, and to describe which is little short of impossible. With each person working but two or three hours a day to produce all that is necessary, it will be seen how easily any extra desire may be gratified by a little extra work. If Willie Jones's father desire to make a three-months' trip abroad, he has only to work, say, an hour extra each day for six months to earn the time necessary, and if he wish additional means, he has only to make this time two hours to achieve that end.

Under the new system travel, whether abroad or in one's own country, will be a very different thing from what it is now. There is scarcely a doubt but that, under the new system, the people would use the Initiative and Referendum for the establishment of free transportation of persons and goods, free telephones, telegraphs, electric lights, postal service, water supplies, etc., etc. The old and semi-idiotic idea that, if postal service were free, people immediately would spend all their spare time writing letters, while if transportation were free, they would do nothing but rush up and down the land, rapidly is losing ground, and we are coming to realise that *just the reverse* is more nearly the case. That which we can get at any time we are far less likely to crave than that which entails some sort of sacrifice. The people who have never ascended Bunker Hill Monument are they who would be killed should it fall. Bagehot has rightly said that there is no pain like the pain of a new idea. It is astonishing, and likewise instructive, to observe how people are intellectually fettered,—bound, as if with handcuffs, anklets, ball and chain,—by some habit or other which has not the slightest scintilla of reason for existence. While quietly and lovingly embracing Tweedle-dum every day, but mention to them his twin, Tweedle-dee, and forthwith their eyes will bulge, their flesh horripilate, and their hair assume a horrent aspect, and all for what? Simply because Dame Habit has not formally introduced them to good Mr. Tweedle-dee.

We drive our carriages over roads, which, with rare exceptions, no longer are privately owned. A toll-gate is an anachronism, and an offense to all intelligent citizens. Let some one propose to give over Washington Street, Boston, or Broadway, New York, to a private syndicate, empowered to erect gates and collect toll from all pedestrians and drivers of teams, and he would be hung in effigy by an indignant populace, and, if likely to succeed, would stand a good chance of later being hung in reality. Our good people know well enough what toll-highways mean—*when they are made of gravel*. Let, now, some one propose the abolition of toll-railways—the throwing open to all the people of these arteries of commerce—and the listener's eyes begin to bulge, and he gasps out something about Anarchists or Socialists or Dreamers, or some other compliment which he intends for an epithet.

What is the difference between this Tweedle-dum and Tweedle-dee? Both are highways; both are necessary ways of communication; both are vitally necessary to the good of society; both are supported entirely by, and should exist exclusively for, society as a whole;

## GILLETTE'S INDUSTRIAL SOLUTION

and both are strips of land connecting centres which *need* and *desire* to be connected. The one difference is that, where one has two or more somewhat *indistinct ruts*, the other has two or more *very distinct bars of iron* resting on billets of wood. This dissimilarity is so great that the habit-constrained mind of the masses of our people cannot bridge it *even in thought*. *What a thing is habit!*

With the question of free transportation similar conditions of thought obtain. Were the average person asked elevator-fare in going to the tenth floor of one of our office buildings, he would feel very much outraged. Suggest to him, however, that *horizontal* transportation just as well could be free as *vertical*, and you have said something too radical for him seriously to entertain. What is the difference? The landlord runs the elevator, and it makes his building just so much more desirable to tenants than it otherwise would be. It all comes back to him in increased rent. If a municipality carried persons and goods without fares and expressage, it merely would raise the value of property to such an extent, and would so increase the habitable area of the community that it would all *and much more* come back in the form of taxes. The idea that people would travel unnecessarily, because they could do so free, cannot be taken seriously, until it can be shown that people ride up and down in elevators, and that they travel along highways, *for no other reason than that by so doing they can get something for nothing*.

People should be as free to go from place to place without financial let or hindrance, as they should be to exchange products without tariff let or hindrance. The growth of any society largely depends upon the natural gravitation of its various units into their places of maximum efficiency. Anything which interferes with this gravitation, in any way whatsoever, is pernicious and should be suppressed with a strong hand.

It ever must be borne in mind that the god of the competitive system is not the god of the new régime. To-day, as we have previously indicated, production is worshiped. In the new era the ultimate sought will be the greatest possible happiness, and the chief means to this happiness is known to be *consumption*, not production. Production is of interest only because it makes consumption possible, and consumption is of interest only because happiness rises and falls as consumption increases and wanes. The great end is happiness; the greatest happiness of the greatest number. It is for this reason that, under the new régime, every endeavour will be made to increase the consumptive efficiency of the people. This end materially will be aided by the distributive methods which will be employed. The products of labour will be stored, and properly classified, in immense warehouses, from which they may be procured with a minimum amount of trouble and friction.

The reader doubtless has perceived, long ere this, that when the system is in full operation the form of money used will merely be a token of a certain social service rendered, and the value of this token will express itself in some convenient labour-unit. If Jones has spent a day in growing a bushel of corn, and Smith a day in raising a bushel of potatoes, and they desire to exchange these articles



## GILLETTE'S INDUSTRIAL SOLUTION

through the medium of money, it is arrant idiocy for either of them, or for some one else, to have to dig for a day, in order to get a metallic nugget making possible this exchange. Every moment employed in such digging is clear social waste. Under the new régime, the money used virtually will amount to a credit slip — an order, if you please, upon the general storehouse for a definite number of labour-units of value, expressed in any commodity the holder may desire.

It is unnecessary to show the absurdities of present monetary systems, since these systems have to contend with difficulties, usually more *fancied* than *real*, which will form no part of the new system. The script in use under the new régime, will be legal and sufficient tender for every object of wealth in existence. We have shown how, even before the World Corporation Investment Company has come into absolute industrial control of the world, its own certificates will become more sought after than the money which purchases them, thus making *them* the real money, and gold a secondary consideration. Even at this time, therefore, should the holder of the new system's money or script wish to purchase goods from an outsider — a contingency not likely to arise except in early stages — he would not find the slightest difficulty in effecting the exchange.

The whole amount of the matter is that the mystery of this money-question is merely the result of the intentional muddling of financial tricksters and their economic valets. If Jones has something which Smith wants, and Smith has something which Jones wants, and these somethings are of equal value, neither Jones nor Smith have to study finance in order to know how to exchange their products. Left to themselves they instinctively would know how to do it with perfect justice to each other. It is only when financial crooks weave a spell of mystery around them, mixing insurance, interest, banking, foreign exchange, — and heaven knows what not! — all into a savory, financial *olla podrida*, which they force down the throats of their over-confiding victims, that either doubt or timidity ensues. What is said of the direct exchange of commodities between Jones and Smith, is equally true when the exchange is made by way of Brown. Nothing whatever is necessary except that the piece of paper which is used as money, shall show conclusively that some sort of service of a definite value was rendered in its procurement, and that a service of the same value again will be rendered whenever it is released. This is the Alpha and the Omega of the money question, though financiers may become apoplectic in denial of the fact. The money of the new system, therefore, will be such convenient tokens of social service rendered, as the people may elect to issue, and these tokens will not, like some of our present ridiculous money, be good for some things and not for others, but will be good for *everything* for which any money can be of value.

Under the new system, when one wishes to purchase anything, he will have only to go or send to the nearest warehouse or store. Here he will find spread before him every article produced of the kind he desires. The clerk in attendance will not tell him that thirty-four inch shoddy is "all wool and a yard wide," for he will have no object

## GILLETTE'S INDUSTRIAL SOLUTION

whatever in deceiving, as under our present competitive system. On the contrary he will have every object in giving the fullest possible information. The buyer, with his dollar, will not be pulled hither and yon by a dozen or more greedy competitors, all shouting the supreme excellence of their own wares with monumental indifference to the actual facts. All this waste and degenerating disturbance will be eliminated, and the purchaser will make his selection without confusion and with full information. If he is familiar with the kind of goods produced, and knows how to designate what he wants, he will have only to step to his telephone and give his order, and the goods will be delivered to him honest both in quality and quantity. Think of getting two thousand pounds of coal for a ton!

How superior this method will be to that now in vogue, where one may traverse a whole city without being able to decide what is best to purchase! The presence of these large distributing stations tends also to effect a far greater productive efficiency. The producer is relieved of all the strain and worry which now attends the placing of his product. The farmer, having raised his cabbages, does not have, as now, to fight for his existence in their disposition. His work is done when they are produced. Under our existing competitive régime it is the *selling end* of the proposition which causes the overwhelming majority of failures. All this worry and travail is needless and cruel, and it will entirely be done away with under the new régime. The savings which will be effected by the new order of things are almost beyond belief. The elimination of all useless activities; the simplifying of transportation; the eradication of middlemen; the doing away with advertising; the centralisation of production and distribution; the passage of goods straight from the factory to the warehouse; the increased efficiency resulting from a better productive machine, more perfectly equipped; the elimination of drones, criminals and parasites from the body social; the stopping out of fear in its various forms; and the raising of consumption to the highest degree of efficiency, all will contribute to make the new system the greatest invention ever devised for turning out that most desired of all products — *human happiness*.



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## **CHAPTER XLIX**



This nation, under God, shall have a new birth of freedom, and that government of the people, by the people, for the people, shall not perish from the earth.

*Abraham Lincoln.*

Peace is the virtue of civilisation; war is its crime. . . . There is only one power, conscience, in the service of justice; and there is only one glory, genius, in the service of truth.

*Victor Hugo — Voltaire.*

I saw a lad, a beautiful lad,  
With a far-off look in his eye,  
Who smiled not on the battle-flag  
When the cavalry troop marched by.

And sorely vexed, I asked the lad  
Where might his country be  
Who cared not for our country's flag  
And the brave from oversea?

"O, my country is the Land of Love,"  
Thus did the lad reply;  
"My country is the Land of Love,  
And a patriot there am I."

"And who is your king, my patriot boy,  
Whom loyally you obey?"  
"My king is Freedom," quoth the lad,  
"And he never says me nay."

"Then you do as you like in your Land of Love,  
Where every man is free?"  
"Nay, we do as we love," replied the lad,  
And his smile fell full on me.

*Ernest Crosby.*

God has ceased to be a partner in the firm of privilege.  
The dangerous classes are in Newport and the slums.  
If you want a sample of non-productive activity, go to the Wall street gamblers.

Productive activity ought to be unburdened.  
Secret rebate to the Standard Oil is simply a means of levying tribute.  
Tariff enables the United States Steel Corporation to steal legally.  
It is astonishing how many widows and orphans there are and how vast a proportion of stocks and bonds they hold.  
Mr. Baer and his friends enter into partnership with the Almighty.  
Landlords suck the rich blood of the body social.

*Bishop Charles D. Williams, Extracts from Wealth, Productive, Predatory and Parasitic.*

## CHAPTER XLIX



IN 1894, Mr. Gillette published his first thoughts on the subject of the amelioration of social ills in a work entitled "The Human Drift." The present system is the result of years of thought used in amplifying, developing and perfecting the ideas then put forth. In this earlier work Mr. Gillette placed the metropolis for this continent in the vicinity of Niagara Falls. We cannot do better, in this connexion, than to give Mr. Gillette's ideas as expressed in "The Human Drift" upon the subject of this location for the great American metropolis. It will be understood, of course, that the industrial centre or centres will be located at such points as the people may determine. It was, and is, Mr. Gillette's thought, however, that the vicinity of Niagara Falls offers such compelling advantages that there will be no question of the adoption of this site for a great metropolis. We quote from "The Human Drift."

"For many reasons I have come to the conclusion that there is no spot on the American continent, or possibly in the world, that combines so many natural advantages as that section of our country lying in the vicinity of the Niagara Falls, extending east into New York State and west into Ontario. The possibility of utilising the enormous natural power resulting from the fall, from the level of Lake Erie to the level of Lake Ontario, some 330 feet, is no longer the dream of enthusiasts, but is a demonstrated fact. Here is a power, which, if brought under control, is capable of keeping in continuous operation every manufacturing industry for centuries to come, and, in addition, supply all the lighting facilities, run all the elevators, and furnish the power necessary for the transportation system of the great central city.

"In the utilisation of this power, I cannot see that it is necessary to take it from Niagara River. In the first place, the fall between Lake Erie and Ontario is 330 feet; and that section west of Niagara River lying between the two lakes is a narrow neck of land, which for a distance of forty miles does not average more than thirty miles in width. It is across this neck that the Welland Canal has been constructed, which, with its twenty-seven locks, allows of the passage of vessels of large tonnage, the entire fall by lockage being 330 feet. Now, it not only seems possible, but a simple engineering feat, to pipe this distance, with intervening falls at turbine stations, for the utilisation of the power resulting from the passage of the water through the pipes from the upper to the lower lake. If the distance were equally divided into ten falls, it would give 30 feet to each fall, and 3 feet fall to the flow between stations. These pipes could be as large as desired, and only limited in number by



## GILLETTE'S INDUSTRIAL SOLUTION

the demand of power needed by the various industries of the people; and, eventually, the power now going to waste over the Falls of Niagara would be every pound utilised in its passage through the pipe lines. The Falls of Niagara are only 160 feet high: the fall of water through these pipe lines would be 330 feet. It is estimated that there is a steady flow of 6,000,000 horse-power over the falls. The same amount of water passing through these pipe lines would furnish more than twice this amount of power. One thousand pipe lines, each with a capacity of 10,000 horse-power, would equal 10,000,000 horse-power. This, reckoned on a basis of cost per horse-power where coal is used, about \$15,\* makes it worth \$1,500,000,000 per year to the people, which would be in largest part a direct saving of labour in mining coal, which it would displace.

"The manufacturing industries of 'Metropolis' would be located east and west of Niagara River in Ontario and New York. The residence portion of the city would commence about ten miles east of Niagara River and Buffalo; and from this point to its eastern extremity, which would include the present city of Rochester in its eastern border, the city would be sixty miles long east and west, and thirty miles in width north and south, lying parallel with Lake Ontario, and about five miles from it.

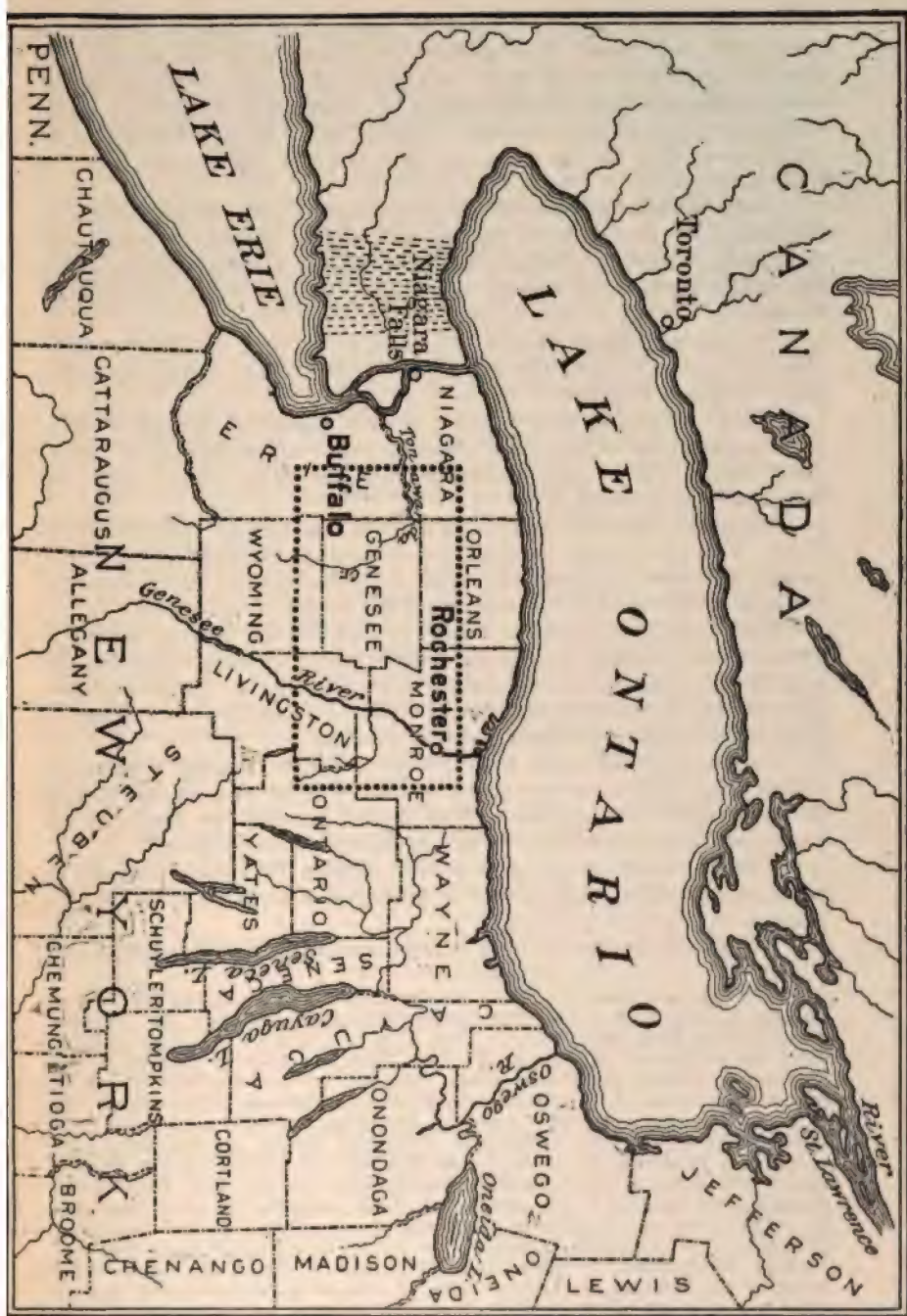
"Water for the purposes of the city could be taken from the elevation of Lake Erie, and discharged as waste into Lake Ontario. As the fall is 330 feet between these two lakes, it is reasonable to suppose that some system might be devised whereby the water required for domestic and city purposes could be made to flow naturally through the city, from one lake to the other, with very little necessity of pumping, and that a large portion of it could be utilised at its outlet to generate power.

"Another natural advantage of the section for a great city is the conformation of the land, which is comparatively level through this part of New York State, and well adapted for a city such as described.

"For the purpose of more clearly locating 'Metropolis' in the minds of my readers, I accompany this description with a map of that portion of New York State and country lying in the vicinity of the falls. The residence portion of the city is given in dotted outline, and lies south and parallel with Lake Ontario, and takes in, in part, the counties of Niagara, Erie, Orleans, Wyoming, Livingston, Monroe and Ontario. That section lying between the western boundary of the city and Niagara River and the section immediately west of Niagara River would be utilised for the manufacturing industries of the people. The dotted lines connecting Lakes Erie and Ontario, a distance of from twenty-five to thirty miles, shows the proposed section wherein pipe lines could be laid for the purpose of generating power in the fall of water from Lake Erie to Lake Ontario.

"No matter what problems or difficulties confront engineers in

\* This figure is far too low,—several times too low in some cases.—The Author.





## GILLETTE'S INDUSTRIAL SOLUTION

thus connecting these two lakes by direct pipe lines, it should be done; for the power thus secured and brought under control for public use would, in the long run, result in an enormous saving of labour over any other possible means of obtaining a like power. Converted into the electric current, it would drive all the machinery of production, and in the form of light convert 'Metropolis' into a fairyland.

"Here should be located the great central city, which would be the home of all; and to the artistic beauty, grandeur, and magnificence of this wonderful production of the combined intelligence of a united people, the whole world would contribute its wealth and treasures.

"The architectural plan of 'Metropolis' must be carefully considered, and in arriving at the best plan of construction the requirements must be taken in detail.

"*First.*—The city must have a perfect system of sewage of sufficient capacity to carry off all drainage and refuse that must necessarily be a part of such a vast population. This system must be practically indestructible.

"*Second.*—The city must have a perfect system of water distribution. The water must be pure and unlimited in quantity; and the system of pipes must also be indestructible, and be either lined or made of material that will not affect the purity of the water.

"*Third.*—There must be a cold-air distributing system, which is used for cold storage in the food department buildings and for reducing the temperature of dining-halls, educational halls, and lecture-rooms wherever aggregations of people make such reduction of temperature desirable during warm weather.

"*Fourth.*—There must be a perfect heat-distributing system, by which every apartment and every public building can be maintained at an equable temperature. This might possibly be electrical, if the progress of this science should demonstrate its economy.\*

"*Fifth.*—There must be a perfect system of transportation, by which each building where food is prepared is supplied with its proportion of all food products.

"*Sixth.*—There must be a perfect system of electric telephonic

\* This was published in 1894. At the present time, (1908) we are informed by the highest scientific authorities, it is commercially possible to distribute heat electrically. That this is not done to any considerable degree merely is due to the fact that the electric companies are able to sell their power for other purposes at a price out of all relation to its cost of production. Electrical power can be produced, and is produced, from coal at a cost not exceeding six-tenths of a cent per kilowatt hour, and this is true in a vicinity where the electrical companies are charging *thirty-three and one-third times that price*, namely, twenty cents per kilowatt hour. Municipalities can be pointed out which do their own lighting at the small cost of six mills per kilowatt hour, and in order to prevent a general stampede of municipalities into municipal ownership, the moneyed interests are forced to circulate *false and misleading information*; to bribe local politicians to defeat the better sentiment of their fellow townsmen; and to publish a periodical for the express purpose of falsifying the facts. When this sort of thing is done away with, the electrical aspect of the country will entirely change.—The Author.

## GILLETTE'S INDUSTRIAL SOLUTION

communication between every apartment in this vast city, so that it will be possible for any two apartments to instantly come into communication with each other, or with any of the public buildings of the city, or with any of its manufacturing establishments, or with any place or individual within the environment of North America.

"In the building of 'Metropolis' there would be no excavating for sewage, heating, cold air, and electric systems. Each would be above ground and in plain sight, where every defect could be noted and repairs made without unnecessary labour. To accomplish this, a chamber is formed above ground by the erection of steel pillars and the building of a platform throughout the length and breadth of the city. The pillars used are of such different height as to overcome the inequalities of land surface, and make it possible to lay a perfectly level platform at the top of the pillars, it being calculated to be elevated at least twenty-five feet from the ground. This platform is composed of frameworks of steel inlaid with glass, similar to the numerous vault lights of our cities, which admit light to cellars and basements. We now have a perfectly level floor of glass and steel throughout the city, and the chamber beneath that platform is as light as day.

"After further consideration it was thought that a similar chamber constructed in same manner above this first chamber would be the easiest and most effective manner of providing for the transportation system. So, again, the steel pillars come into play, and a second platform is constructed twenty-five feet above the first platform. It was now determined that the easiest way to provide the people with shelter in passing from one building to another or about the city in inclement weather, could be secured by the formation of a third chamber. This was determined on, and again the steel pillars rise, this time to a height of fifty feet above the second platform, and at the top of these pillars the third and last platform is built. All of these three platforms extend throughout the length and breadth of the city like level floors, a large portion of each surface being of glass.

"The buildings of the city have their foundation in the ground, but the buildings proper rise above the upper platform. The people do not feel conscious of the elevation above the surrounding country; for the platforms, in anticipation of the city's growth, extend out beyond the city proper beyond the range of vision. There is absolutely no way by which dirt or dust can find its way into the city in any appreciable amount. There are no traffic vehicles of any kind in the city except the electric transportation system of the middle chamber and rubber-tired electrical carriages and bicycles.

"In the construction of 'Metropolis,' the walls of all buildings could be of one thickness, from the bottom to the top. This would be made possible by supporting the weight of each story on independent girders, that would be securely fastened to the upright pillars which would have their foundation in the ground.

"The design and specifications of every building would be made the subject of competition between the architects of the country, the



## GILLETTE'S INDUSTRIAL SOLUTION

same being submitted to the Bureau of Architecture, who would pass upon their labour, and award the credit. The incentive given to this branch of public welfare would make architecture, in all its details, one of the most fascinating scientific studies, and would result in an endless variety of beautiful designs, both in exterior and interior finish of buildings. This would give perpetual beauty and variety to the city as a whole.

"Each apartment of all buildings would be supplied with every convenience of modern science, art, and invention,—heated and cooled by automatic mechanism, lighted by electricity, and electrically connected with the whole outside world; and supplied with an unfailing supply of pure water.

"The ground, or lower, chamber of the city, which contained the various pipe and wire systems, would be treated in white only, the ground being first covered with a cement or asphalt composition, and then a layer of white glazed tiling. The girders and pillars of this chamber would also be covered with white tile designed expressly for this purpose.

"The second, or middle, chamber would contain the transportation facilities of the city, which would connect with every building, both for the convenience of the people and for the purpose of delivering food products to the culinary departments. This chamber would also be treated in white tiling, relieved by colored borders.

"The upper chamber, fifty feet in height, would be a bewildering scene of beauty in its artistic treatment. The floors, ceiling, and pillars of porcelain tile, with their ever-changing variety in colours and designs, the artificial parks topped above the upper platform with domes of colored glass in beautiful designs, its urns of flowers, and beautiful works of art and statuary, would make it an endless gallery of loveliness. Here would be found a panorama of beauty that would throw into shadow the fables of wonderful palaces and cities told of in the 'Arabian Nights'; yet the genii of all this would be naught but the intelligence of man working in unison. What would be seen here is within our knowledge to do, and with less expenditure of labour than is now required to maintain our present cities.

"The upper, or outdoor, pavement would be tile and glass throughout its length and breadth. Here the pavement would be subdued in colouring and in dead finish, but would be practically without limit in its variety of colour and designs. This upper pavement and the upper chamber would both offer an endless vista of beauty for the pedestrian, the bicyclist, and those who use electric carriages. At night the upper chamber, the upper pavement, and the interior courts and domes would be brilliant with a flood of electric light which would throw into soft relief the beauties of environment, and make of the whole, a fairyland."

Much more might be said of the advantages to be derived from placing the great metropolis in the vicinity of Niagara Falls. It is a perfectly possible engineering feat to open the Great Lakes to the sea, connecting, in one vast waterway system, the Great Lakes, the Gulf of St. Lawrence, the Atlantic, the Hudson, the Mississippi







## GILLETTE'S INDUSTRIAL SOLUTION

and the Gulf of Mexico. In this way Buffalo, Cleveland, Detroit, Chicago and Duluth may send their cargoes unbroken to the uttermost parts of the earth. In an article published in the "American Monthly Review of Reviews" of November, 1897, it was stated that the entire commerce of the Great Lakes must be annually between thirty million and forty million tons, or one-third of all that carried upon the two hundred thousand miles of railway in the United States; a system that has cost between ten and twelve thousand million dollars to construct and equip.

It is now possible, through the agency of the pneumatic quick-acting high-lift lock, devised by Chauncey F. Dutton, to raise, or lower, a vessel a distance equal to the height of a good sized building, at a single step. In the article by Mr. Carl Snyder, to which we have already referred, the author says with reference to Mr. Dutton's invention: "It is not easy to realise the amazing character of this invention until you stop to consider it by the side of other wonderful things. Suppose that a sane and practical minded man should say to you that he would lift a load of 100,000,000 pounds with a contrivance which a smart boy could operate, and with practically no outside power. Suppose that he were to go further and say that he would take two of the largest vessels that enter the port of New York and make a teeter board of them, so that one would be 160 feet in the air while the other was down. It is only in some such vivid fashion that I can present the true nature of the pneumatic lock, for this, in a rough way, is precisely what this daring engineer proposes to do."

The beauty of this contrivance, its simplicity and marvellous efficiency, cannot be shown without going into the matter more thoroughly than our space permits. The point we wish to emphasise is the tremendous economy which could be effected by using this wonderful invention to connect the Great Lakes with the sea. The annual freight bill of this country exceeds *eight thousand millions of dollars, and constitutes a most burdensome tax upon productive industry.* Think how much of this might be saved by the intelligent application of some such invention as that perfected by Mr. Dutton!

The reader will scarcely need be told that, with the advent of the Gillette system, such improvements as this would quickly be adopted, with the result that productive efficiency would enormously be enhanced, and thousands of millions of dollars annually saved which now are wasted in entirely useless friction of transportation.

The present system of double-railed, steam and electric traffic between distant points, will in large measure quickly be superseded by something akin to the overhead bicycle railway, with its single rail, or the mono-railed gyroscope-railway invented by Mr. Louis Brennan and described in a most interesting manner in "McClure's Magazine" for December, 1907. In addition to these means of transit, we soon shall have the flying-machine, the necessary data for which science even now is rapidly accumulating. We do not mean, when we say "flying-machine," any gas-bag contrivance, for we do not consider that entitled to the name. The dirigible balloon will, in our opinion, never play any serious part in the ultimate solution of the problems of aerial navigation. We look for a flying-machine



## GILLETTE'S INDUSTRIAL SOLUTION

which will sustain and propel itself quite irrespective of all air currents, indeed, we believe the final flying-machine will be capable of crossing a vacuum, so independent will it be of atmospheric conditions. Science already has thrown out a vague hint or two looking in this direction.

Ocean travel is likely similarly to be revolutionised. Experiments made sometime since by the French, have now been so improved upon by Mr. Peter Cooper Hewitt, the well-known New York inventor, as to warrant a reasonable hope that, in the near future, vessels will travel upon, rather than through, the ocean, at speeds far exceeding those of our present express trains. If all these things, and more, can take place under our present competitive régime, what dream-like marvels may we not expect to occur under the stimulus of the new system. We are already told, by a very excellent scientist, that science would not dare to-day to pronounce against the impossibility of interplanetary communication,—nay, more,—of our actually paying a visit in person to our neighbouring planets. Is not the future big to bursting with interest?

Along all other lines the improvements would be as radical. There is no engineering feat too stupendous for mankind to accomplish when men have learned to work for the social good. Should it be decided advantageous to render warmer the climate of the north-eastern seaboard, the Straits of Belle Isle could be closed, and the Arctic currents thus forced farther from our shores. Should the need arise, a way would be found as easily to shift the course of the Gulf Stream.

The development of beautiful cities, surpassing in grandeur anything the world has ever known, inevitably would result, for with the laying of the ghost of fear, and the socialising of human interests, there will sweep through the world such a divine frenzy for human betterment as has never been equalled, or even suggested, by any religious awakening known to man; and all this will come about, as the result of the general perception and acceptance of a *single fact*—a fact more vital than any other which can be taught the human race—the fact embodied in this one sentence: **MAN'S SOCIAL INTEREST IS HIS HIGHEST PERSONAL INTEREST.**

Reader, pause for a moment and pass in intellectual review the changes which will occur when the Christianity of Christ ceases to be a mere dogma, and becomes a *living reality*, through the universal brotherhood, the social solidarity, of all mankind. Here will be, as it were, a colossal hive of busy individuals, every one of whom is fully endowed with that "spirit of the hive" out of which arises the marvellous intelligence of the bee, and from which, in this case, will come a glory, a delight, and an ever-augmenting happiness beyond the power of words to express.

Consider for a moment this great Metropolis, which will arise like a dream, say, in the vicinity of Niagara Falls. Its buildings will be erected and its streets and squares laid out with a full knowledge of the scope and importance of the work. Each architectural design will ring true with the scheme of all its neighbours, so that the Metropolis, as a whole will "hang together," as it were, artistically—will present an architectural coherence somewhat after the plan

## GILLETTE'S INDUSTRIAL SOLUTION

of, though a hundredfold more extensive than, the lovely white cities of recent World's Fairs. Every effort will be made not only to make the environment entrancingly beautiful, but also to make it the most healthful spot on the earth. With the teaming and traffic which now litters our streets practically done away with, and the residuum confined to its own street levels, with the abolition of horses, and with them the housefly, the promenades, gardens and public squares may be kept as clean and sanitary as a private lawn.

The closing in of sufficient thoroughfares to enable perfect communication with all parts of the city, will make the inhabitants almost entirely independent of weather conditions. The Moors had a civilisation so far advanced that their typical banquet was, in good sooth, a feast of reason and a flow of soul, not a drunken, licentious orgy, like some modern affairs which could be mentioned. At these Moorish banquets the air was perfumed with the odour of flowers which was piped into the cities from outlying gardens. Will not the new system be able to do as much as this? Will its people not find a way to purify and sterilise the air which is blown into and through their covered promenades? Already we have methods of producing ozone in considerable quantities at low rates. An astonishingly small quantity of this ozone will render harmless a large quantity of germ-laden water. Its presence in the air is of the highest importance to health, and it will be quite possible, should the people wish it, to reproduce in any quarter of their city the exact atmosphere of the Alps. The roadways, the walks and boulevards, being raised above the earth's surface, can all be perfectly cleaned in a few minutes at night simply by opening the watermains and flushing them, thus doing away with our present ridiculous system of cleaning streets by stirring up the dust, until it finds its way into our eyes, our lungs and the uttermost recesses of our houses.

The specialising and systematising of activities will lift an immense burden from the backs of the people. The food will be prepared in large, beautiful and perfectly appointed restaurants, by a corps of experts who, having freely chosen culinary science as the means by which they render social service, naturally will delight in their work and perform it with a high degree of efficiency and excellence. Those, and they will be few, who wish their meals served in private, will find no difficulty in gratifying these exclusive desires. We have said that they will be few, because we realise that this desire to be exclusive is, in large measure, the result of that *inflamed individualism* which is one of the puffball fruits of our competitive régime. The new dispensation will tend to reverse all this, for under it, our great joy will be in our fellows, since then we shall be thoroughly socialised.

The child, born into this environment, will have his love of the beautiful fed and fostered from the start. The gross, the base and the debauched, will be things so hideous as to possess no attraction to a character thus fortified by an environment of high ideals. *Democracy* will be in the very air, for each able-bodied member of the society will earn what he or she consumes, be it much or little. There will be no other way of procuring anything, save through gift



## GILLETTE'S INDUSTRIAL SOLUTION

or theft, and for one able to work to live by *alms* will be considered almost as disgraceful as theft — *a sort of theft with consent*, as it were. The fundamental democracy of the system will draw the people ever closer together, for there will not be then, as now, politicians in power whose only recommendations are their ability to defraud and cajole their constituents. Under the new régime each departmental head will be the ablest worker in that department, chosen for his efficiency by his co-labourers. The Initiative, the Referendum and the Power of Recall will prevent any official from getting the present political conception now obtaining among officials — an inversion of the fact — which leads them to hold that *they* are the real rulers, and the *people their servants*.

The living apartments of the Metropolis will be constructed, not only with a view to the highest sanitation, the greatest beauty and the utmost comfort, but also with due regard to the amount of care necessary to keep them in perfect order. Ostentation having no part in the new régime, everything will be designed with a view to giving the greatest possible satisfaction to legitimate human desires, with the minimum expenditure of labour. Add to this simplification of the living apartments, the fact that the women of the household will be relieved of all necessity for cooking, and can get better care for their children elsewhere than they themselves can furnish, and it will be seen that the wife no longer need be a drudge, or fall intellectually behind her helpmate, because of lack of time to develop. The woman will be as economically independent as her husband or brother. She will have all the voting rights that he has, and may, other things equal, hold any office that he can hold, and exercise any rights that he can exercise,—in short, under the Gillette system, women will not be considered “weaker vessels” to be discriminated against, on the one hand, nor household drudges “to be seen and not heard” on the other. For the first time in history she will enjoy full equality with man.

Regarding this question of equality and its effect upon environment, Mr. Gillette says in his “The Human Drift”:

*“Material equality must result in a new civilisation, new in every part of its structure of mind and matter. The whole aspect of nature must assume new meanings and ends, for they will be seen by new senses of interpretation. With our present individual knowledge, we cannot conceive it; or, if we could conceive it, we would not believe it possible.”*

“It was not my intention when the subject-matter of ‘The Human Drift’ was outlined, to supplement it with a description of what civilisation might be when production and distribution had been resolved to the point of greatest economy; but, if the mind once gets thoroughly interested in the subject of consolidation and centralisation, it cannot escape the logical conclusion,—*a perfect civilisation*.

“In my description of this new civilisation, I do not leap into the future and make scientific discoveries which are not discovered yet, neither do I anticipate wonderful inventions which are not invented yet, nor do I annihilate time and anticipate the future of art. I

## GILLETTE'S INDUSTRIAL SOLUTION

confine myself to our present progressive position, and only utilise that which we now have of art, science, and invention in its most economical application.

"I look upon the consolidation of business and its centralisation from a purely business standpoint. I see enormous business enterprises that demand millions of dollars running as smoothly as though they were controlled by a single individual mind. Yet the controlling power of these large corporations is the combined intelligence of a large number of individuals. Under these circumstances, the corporation has within it the elements of continuous life; for the death of any single or number of individuals would not disturb its progress. This same idea would be also true of a civilisation that was combined as one intelligence. It would have the elements of continuous life, and nothing could disturb its continuous progress.

"Can any one with an artistic mind see beauty in our present cities and towns, which are built haphazard, without any idea of uniformity in structure and design,—tall and short buildings, brick, wood, stone, and iron buildings, old and new buildings, palaces, tenements, and factories, breweries, stables, and saloons, thrown together along our narrow and ill-paved thoroughfares, as though they had been dropped from the clouds without any idea of arrangement? Crime, poverty, filth, and degradation are found next door to opulence and voluptuous extravagance. Here is a building which apparently combines every modern improvement in our knowledge of art, science, and invention; while within a stone's throw are others that would disgrace the dark ages.

"Can it be said that our cities combine our highest intelligence in plan and construction? Would it not be reasonable to suppose, that in building a city which was to combine within its environment a population of thousands or millions of people, the people as a whole should build that city, and thus combine its intelligence to make that city a symmetrical and beautiful artistic conception?

"Under our system of competition, we have the very rich and the very poor, with all the intervening gradations of society. This results in a companion picture in the architecture of our cities, for we find the palace and the filthy hovel and all the intervening gradations of habitations.

"Under a system of material equality, each individual would be on a par in his material possessions, each individual would be on a par in advantage of education, *and the city would reflect their combined intelligence in its perfect construction.*

"After hundreds of years of opportunity, we still find ourselves surrounded by an ignorant and a filthy environment. We are obliged to breathe the contaminated atmosphere of crime and misery, and to rub shoulder to shoulder with brutes in human form. Who is to blame? Who but ourselves; for we have the power to change all this, and surround ourselves with an environment of virtue and happiness.

"Before I begin a description of my conception of this new civilisation possible in the immediate future, I would like to ask each of my readers to resolve what he would do, had he the power in



## GILLETTE'S INDUSTRIAL SOLUTION

his own hands to control production and distribution, and was requested to supply sixty or seventy millions of people with the necessities and luxuries of life.

"Shut your eyes, and imagine for a moment the whole expanse of these United States swept clean of cities, towns, villages, farm-houses, country roads, fences, and railroads. After you have done this, and have before your mind's eye this virgin field from which to produce the required necessities of this number of people, answer these questions:—

"*First.*—Would you proceed upon present business methods, and scatter your manufacturing plant in thousands of cities and towns, dividing and subdividing each article of manufacture into many different establishments at widely separated points, *or would you bring each separate article of manufacture into single establishments, and all these manufacturing establishments to one centre?*

"*Second.*—Would you, after manufacturing your goods, scatter the population into thousands of cities and towns, and there establish, from one to thousands of small distributing stores, *or would you bring the population to one manufacturing centre, and there, in vast emporiums, arrange to distribute the manufactured product?*

"*Third.*—Would you build your homes for each family separate, and compel each family to maintain its own culinary and dining apartments, *or would you bring them together in vast apartment houses, where these departments could be under the control of scientific and intelligent directors, and maintained with the least amount of labour?*

"*Fourth.*—Would you follow the present system of raw production, and scatter twenty millions of our population to live isolated on small farms and in mining sections all over the country, *or would you produce each article from vast tracts that were scientifically known to be best adapted to producing the product desired?*

"*Fifth.*—Are you not convinced that it is more economical to bring all raw production to one centre of population rather than keep up an exchange system between thousands of cities and towns?

"*Sixth.*—Are you not convinced that progress would be more rapid where the people lived in one city, where the educational system would give each an equal opportunity for scientific advancement, and every step of progress, scientific, artistic, and inventive, was before each individual?

"*Seventh.*—Would it not be better to make the whole world contribute to the beauty and perfection of one city, there to centre all art and all that contributed to intellectual advancement, rather than spread our wealth and energies over the earth in thousands of cities and towns?

"*Eighth.*—Would you maintain a system of money, or any representative values, for the purposes of production and distribution, with the enormous expense and labour of maintaining such a system, *or would you make all products of the people free, only stipulating that each member of the community should do his portion of labour to maintain such a liberal system?"*

This was written in 1894, and we are confident the reader, in

## GILLETTE'S INDUSTRIAL SOLUTION

view of what is here published in 1908, will have no difficulty in determining what answers Mr. Gillette would give to his own questions. We trust that few of our readers again will need to be reminded that the proposed system will be the *most complete democracy* the world has ever known. Under it no one will be coerced to do work which he does not want to do; to live where he does not want to live; or to sacrifice his liberty of choice in any other way. If a man prefer to go far away from the great Metropolis, even to the backwoods maybe, he will be free to do so. The only thing for which we are contending in the matter is, that not one in a hundred thousand ever will want to pursue such a course. The beauty of the Metropolis; its enormous advantages; its delights for all the senses, will, when added to the new-found glory of human brotherhood, be an attraction so potent that to live away from it would be considered the most cruel of exiles; for this Metropolis will have within itself all the glories of the country, as well as of the city, barring, perhaps, a few scenic advantages in the way of mountains and ocean, which will be a thousand times compensated for in other ways.

It must not be inferred that of necessity there will be but one great Metropolis under the new system. It is Mr. Gillette's thought that there will probably be such a grand centre of population in North America, South America, Central Europe, Asia, India and Africa, with, perhaps, outlying seacoast centres of population, limited to the requirements of ports of entry for imports, and for the exportation of products. In addition to this there will probably be various outlying resorts for pleasure, rest and change.

The great cities would utilise the most advanced knowledge in science, art and engineering to make them beautiful, healthful, and complete in every detail. The construction of these great cities will afford employment for millions of people for a considerable period of time. This will enable the new system to provide for those formerly employed in useless activities which were wiped out of existence by the new order of things. Under the new régime the welfare and happiness of the humblest individual will be of the utmost vital concern to all, for the greatest of all things being the welfare of the *social aggregate*, the welfare of all the individuals *making up* that aggregate will be of primary importance. Each will come to realise that the treatment he metes out to his brother, he really metes out to *himself*, through the agency of that larger aggregate of which they both are living parts.

*Thus will the Golden Rule assume a dominant vitality.* The brotherhood of man will become a definite reality. The Christianity of Christ will translate itself out of the written word into the living deed, and a glory will come to the children of men passing all present understanding.





## CHAPTER L



"At first, this Earth, a stage so gloomed with woe  
You almost sicken at the shifting scenes.  
And yet be patient. Our Playwright may show  
In some fifth act what this Wild Drama means,"

As a sample of the decisions of the courts adverse to labour, the following instances are given. In the coal-mining regions the employment of children was notorious. In 1905 A.D., labour succeeded in getting a law passed in Pennsylvania providing that proof of the age of the child and of certain educational qualifications must accompany the oath of the parent. This was promptly declared unconstitutional by the Luzerne County Court, on the ground that it violated the Fourteenth Amendment in that it discriminated between individuals of the same class—namely, children above fourteen years of age and children below. The state court sustained the decision. The New York Court of Special Sessions, in 1905 A.D., declared unconstitutional the law prohibiting minors and women from working in factories after nine o'clock at night, the ground taken being that such a law was "class legislation." Again, the bakers of that time were terribly overworked. The New York Legislature passed a law restricting work in bakeries to ten hours a day. In 1906 A.D., the Supreme Court of the United States declared this law to be unconstitutional. In part the decision read: "*There is no reasonable ground for interfering with the liberty of persons or the right of free contract by determining the hours of labour in the occupation of a baker.*"

*Jack London.*

The plutocrat is not necessarily dishonest; but his standard of honesty is a little apt to become the Turkish standard. He does not always think it dishonest to buy legislators; this is only dividing the profit of shrewdness and sagacity between the partners in the enterprise. Honesty does not require that legislators should not be bought; it only requires that they should stay bought.

*Editor of The Outlook.*

The social problem of the future we consider to be how to unite the greatest individual liberty of action with a common ownership in the raw material of the globe, and an equal participation of all in the benefits of combined labour.

*John Stuart Mill.*

The printed word has come to be the one channel for the dissemination of general information. The people, save in such cases where an outcry is flung from town to town, and set echoing throughout the country, are absolutely dependent upon the newspapers for their facts. The monopolists and rich corruptionists, long ago appreciative of this, have practically gained control of the daily papers of the country, likewise the great press associations. This control is manifested not only in the suppression of news, and its distortion where it cannot be suppressed, but in the manufacture of news. . . . What is there to do about it? Well, not much, as a matter of fact. But don't be fooled any longer. Be chary of passing judgment until you have the facts.

*The (Kansas City) News Book.*

## CHAPTER L



At the beginning of the last division of this volume we set out to determine some of the main essentials of an ideal social system, in order that we might see in what measure the Gillette system met these requirements. We have now put before the reader the largest factors of the proposed system, making no attempt to go into unnecessary details — details which, if crystallised in advance, might tend only to hamper the natural unfolding of the new system.

It is now pertinent to pass briefly in review some of the more essential points of the new régime, so that the reader may see, at a glance, how this system compares with the ideal state postulated for this purpose.

In the first place then, we have to note that the tendency of the new system is to enable each individual to gratify his desires with the minimum amount of exertion consistent with justice. This means also the gratification of the largest feasible number of desires and, consequently, the attainment of the maximum amount of individual happiness consistent with equality. We have observed that, pursuant to this end, the new régime holds production as of secondary importance to consumption. Further, we have seen that, for the double purpose of depriving production of its irksomeness and of raising it to the highest possible degree of efficiency, this system enables each individual to satisfy his desires by the production of that which he likes best to produce. In addition to all this, we have seen that the gradual development of what we have called the *social sense* will add a new joy and an hourly increasing assurance of that millennial day when our brother's joys and sorrows shall be to us as real as our own. This social sense, this aroused public conscience, will put an end to the eminently "respectable" gilded robbers of the present system, who steal franchises and the like as a regular business.

The new system will banish economic fear, and with this will go nine-tenths of all the ills to which flesh is heir. The stamping out of the present competitive régime will result in a coöperative solidarity which will have the highest possible consumptive as well as productive efficiency. All economic frictions, among the least desirable of which are those activities which are useless or worse, including war with its chaos of waste and degradation, will practically be eliminated,—in short, we submit that we have demonstrated, to the satisfaction of any unprejudiced reader, that the Gillette system will convince men that their highest individualistic — yea, if you please, their most selfish interests, are coincident



## GILLETTE'S INDUSTRIAL SOLUTION

with their highest social interests. We have laboured to show that this *must be so* else society would suicide.

Natural evolution makes, *and of necessity must make*, toward an increase of human happiness. That the Gillette system represents a natural evolution has been shown at length. It meets conditions *as they exist to-day with a close joint*, starting to evolve out of our present actual surroundings without any artificial help of any kind, sort or description. Not a word of new legislation is necessary. Neither is it necessary to wait until some distant day, in order to inaugurate the new régime. Furthermore, it is not necessary to secure any particular number of followers, or any large sum of money. Was there ever before proposed so *simple, practical* and IMMEDIATE a plan for social redemption? Think of it! To-morrow morning three men, with perhaps no more than one thousand dollars, can plant the seed *without the assistance of any body or anything else*, and this seed will grow by its own inherent force, until it becomes a colossal tree, the fruit whereof shall satisfy the dearest wants of all mankind.

The reader will have noted with emphasis that the new system does not propose any *levelling process*, by which some of its members may get *more* than they deserve, while others get *less*. Under the proposed régime exact justice is done, each exchanging his own labour for an equivalent amount of that of his fellows. The means by which this accurately is worked out, so as to eliminate the human equation and render the adjustment of values automatic, has been set forth at length. It is pointed out that justice is attained, through this system, with the minimum amount of hardship to those whose present activities are *begotten of injustice and expressed in iniquity*. It has been shown again and again that justice and equality can be attained only under a *complete democracy*, and the reader will not be slow to recognise the extreme care with which the democracy of the new régime has been hedged about and protected. No discrimination will be made on account of race, colour, sex, creed, nationality or for any other similar reason.

It is, furthermore, made clear that no system which proposes to act within national lines ever can be perfectly just. Were the United States alone, for example, to adopt the Single Tax, or any possible kind of Socialism or Communism, perfect justice could not conceivably result. Any system which aims at ideal equity must of necessity include the entire human race. As previously stated, justice is an ultimate and cannot, therefore, be circumscribed. It has remained for Mr. Gillette to devise a system, the world-wide proportions of which are compatible with perfect justice to all. Under this system, as we have seen, every individual receives a value exactly equal to that which he himself produces, which is but another way of saying that each social unit produces what he consumes, and this, in its turn, is the only possible description of perfect justice.

An ideal system must offer the widest possible liberties compatible with equality, and these liberties must apply alike to both

## GILLETTE'S INDUSTRIAL SOLUTION

sexes and to all sorts and conditions of human kind, each liberty having, of course, its accompanying responsibility. We have seen that the new system is coercive in no particular. Its members are allowed to choose their occupations; the amount of work they will do; how, when and where they educate their children, with the proviso, of course, that they must educate them *somewhere* up to a standard sufficient to guarantee the stability of society; where they will live; and all those other particulars which the individual naturally considers it best for himself that he should determine. The new régime rests on its ability to make itself so attractive to the world, so profitable to all, that each man, from his *personal selfish standpoint*, as well as his *nobler humanitarian desires*, will be eager to embrace it.

The reader will remember that pains was taken to show that the new system was devised in accordance with evolutionary lines, and was bound, therefore, to grow. Under it things are so arranged that he who is of the most worth to society, will be the fittest to survive, and accordingly will tend to survive. It is to be noted that, under our present cutthroat scheme of competition, the fittest to survive — *those who best match the methods of our commercial piracy* — are those *least worthy of survival*. That this of necessity is so, should be self-evident. The slough of corruption in which mankind wallows is so inevitable a result of competition that any well equipped philosophical intellect could have foretold it all from the very start. The steps are as logically straight, and as convincingly luminous, as a solar beam. Competition is individualism. Individualism plans all its activities with the good of the individual in mind, which is only to say that individualism is individualism. Under any régime, the members of which were individualists, he naturally would be most likely to survive who was the most perfectly individualised, while they who were imperfectly individualised, partly socialised or altruistic, would be as handicapped in the life-race, and as certainly doomed to extinction, as would be a non-resident Quaker, in the midst of a community of bloodthirsty pirates.

For the benefit of those who might ask how any truly social system could evolve out of individualism, it was shown that *environment* is undergoing an evolution *pari passu* with humanity. As this environment changes, and as individuals change along with it, there comes a time when the greatest good of the individual, even from a purely selfish standpoint, leaving selfial considerations out of account, is along *coöperative* lines. At this time, those who persist in clinging to the *individualistic* régime are out of accord with Nature's evolved plans, and accordingly are handicapped in the struggle for existence. This time arrived long since, but, for two reasons, its advent was only perceived by a few thinkers. And these two reasons? The first is, that Nature's evolutionary processes unfold so gradually that new conditions creep upon us without our ever suspecting the change; and the second is, that old institutions have the disagreeable faculty of persisting, long after they have outlived any usefulness they once may have possessed.



## GILLETTE'S INDUSTRIAL SOLUTION

This is a truth of such universal application that philosophers have commented upon it for ages.

Just as disease sets up a kingdom within us which fights for its existence as strenuously as if it were health, so a decadent religious, political, social, or other institution madly will strive to keep its machinery running. We are all creatures of habit, *and there is not a tenth part of the thinking done in the world that generally is supposed.* Nine men out of ten take their religion from the priest or minister; their law from the lawyer; their medicine from the doctor; their politics from the newspapers and spellbinders; their fashions from their tailors; and their language from their associates. Tap them anywhere and they echo,—in short, they are, for the most part, resonantly hollow of individual ideas. *De novo* thinking is perhaps the rarest of all human attainments, and secures for him who is capable of it, the enviable distinction of being called a *crank*, a *dreamer* and an “*undesirable citizen*.”

It is the function of the Gillette system to offer a social plan so simple of application, so easily understandable, that it will, in a sense, create a new environment simply by showing that the old order of things already is outlived. The very rarity of *de novo* thinking accounts for the observed fact that no society can rise above the level of public opinion. It matters not that a suggested improvement has every rational reason for its adoption, it will *not be adopted* until the last moss-back feels the pressure of public opinion, unless, of course, its adoption rests upon private judgment, in which case it generally will be adopted, if it can be shown that its adoption will be profitable to him with whom the decision rests. This condition of affairs obtains, not only in our own town, but throughout the country and the greater part of the outside world. It is for this reason that the Gillette system starts with the assumption that, for the most part, those only will embrace it who find it the best conceivable means for gratifying their individual desires. In view of these facts we have taken pains to show that the proposed system will offer its members a greater amount of happiness, *personal* as well as *social*, and a smaller amount of pain—*personal* as well as *social*—than any other system thus far devised.

The great importance of sane educational methods has been duly emphasised, and the vastly better results both to parents and offspring which would in many, if not in all cases follow the result of scientific child-development under skilled experts, have plainly been set forth. The vast majority of our acts either result from, or are directly modified by, habit, and the importance of the early formation of correct habits cannot be over-emphasised. *Habit takes the load off the front brain.* It is Nature's method of specialising function. The difficulty we experience, when we attempt to acquire a new habit late in life—a habit, say, like learning to ride the bicycle or playing the violin—needs only to be mentioned to show the pitiable plight we should be in if our front brain had always to plan those activities which, at the start, come wholly within its province. If the reader desire to estimate the load which habit has lifted from his front brain, let him, if he be right-handed,

## GILLETTE'S INDUSTRIAL SOLUTION

try to write a letter with his left hand. He will then realise that, but for the education of his nerve centres, in the formation of habits, if you please, he would be in a similar plight with regard to walking, moving his arms, eating, talking and the like. It is in view of these considerations that we urge upon the reader the immense importance of the early formation of correct habits. We say early formation, for the reason that the earlier a habit is formed, the less effort has to be expended in the process. The young child is plastic and impressionable to a degree. Every year that goes by loses something of this plasticity, until the time comes when an intellectual flexure which an infant would not even notice, creates a fracture in the adamantine mind of old age. Manifestly, therefore, those complicated activities which depend upon subconscious direction,—like walking, running, playing the violin, piano, and the like,—should be learned as early as possible, for which reason they should take precedence over those educational abstractions which are customarily foisted upon the child at far too early an age. We are prone to think that intellectual *acquirement* is the great thing, whereas, it is as *nothing* compared with *intellectual method*. The point is not *what facts does a child possess*, but rather *by what method does he search for truth*. The method represents the habit, and the great thing is *habit*, whether on the intellectual, the moral, or the physical plane. Who does not know how impossible it is successfully to legislate against a strong public opinion, and who of these but *should* know that this public opinion is nothing but a *prevalent habit of thought*? The immense potency of manners, customs, and fashions pays eloquent tribute to this truth. Indeed, fashion often pushes reason over the verge of the ridiculous and yet we take it all as a matter of course, never stopping to question the dictum of our habits. In a ball-room our daughters dress their necks *decollete* and wear trains. At the seaside they dress their nether limbs "*decollete*" and cover their busts. All this is accepted as perfectly proper, but reverse the operation just once and see what would happen! A hundred similar instances could be adduced, to show how subservient we are to habit in the form of fashion, of manners and of customs.

These are the considerations which have led us to place such stress upon the proper education of the young mind. The Gillette system aims everywhere to attain the maximum economy possible, for which reason it proposes to inculcate those things necessary to be taught, at the time when they will achieve the maximum result with the minimum expenditure of energy. The human mind is the most marvellous of mosaics. If its building be started with concepts whose angles are false, the whole pattern is *ruined at the beginning*, since no *truly formed concept* can be made to fit the improper angles of false concepts with coherent joints. How many of criminals and insane, as well as of those physically invalided now languishing in prisons, asylums and hospitals, might have been saved to society, had the *first few blocks* of their intellectual mosaic properly been squared to truth. The mind sickens at thought of the misery which so easily could have been prevented. "Just



## GILLETTE'S INDUSTRIAL SOLUTION

as the twig is bent the tree's inclined," and the Gillette system proposes to assure itself of shapely trees, by sparing no pains in the proper formation of its twigs.

The power of environment insistently has been placed before the reader, in the belief that he will be convinced that the marvellous change which the new system will effect in this regard, is quite sufficient to change the whole face of humanity. The beauty of the great cities which will spring up, and the easily accessible treasures of literature, art, science, which they will contain, will constitute a power for social upliftment almost beyond belief.

Consider, for a moment, the child born into such an environment. Want, and the fear of want having been banished, he will not feel the stultifying pressure of care upon his household. Within and without, his eye will meet artistic beauty and architectural loveliness. As he develops, he will imbibe the wonders of Nature at the Science Theatres and Lecture Halls. The best examples of painting, sculpture, music, and dramatic art, and the monuments of literature and philosophy will be at his disposal, as a matter of course. More than this; the dominant spirit of his community, the highly Christianised, because socialised, activities of its people, will constitute a public opinion, a corporate conscience, which it will be impossible for him to ignore. The heinousness, the ignominy of a parasitical existence—an existence which consumes without producing *as much as it consumes*—will be borne in upon him with irresistible force. The grandeur of labour; the glory of social service; the sublimity of perfect interdependence, will grip his soul until incorporated as a living part of his being. The Golden Rule—*which now is the golden exception*—will then, indeed, be the rule. All about him he will see activities which look, with a singleness of purpose, toward the public weal. The "*it's mine*" of individualism will have given place to the "*it is ours*" of a real society,—in short, the young addition to this new régime will find himself in a community which, for the first time in the history of the world, is in actual, practical accord with the fundamental teachings of Jesus Christ. Can any one for a moment doubt the effect of such an environment?

Care has been taken to emphasise the fact that, with useless and vampire-like activities eliminated; the stupendous waste of competition done away with; the drones of the social hive set to work; and the productive machinery of the new system raised to its highest point of efficiency, man will be able abundantly to supply all his needs with but two or three hours' daily work, thus leaving him an abundance of time for voluntary social work, and for individual recreation and culture. His labour being of his own choosing, and of so short duration as to be anything but onerous, would be as play to him, and his whole life, therefore, one round of joyous, vitalising activities. What more could one desire? Have we not shown the new system perfectly to embody all the *essential attributes* of an ideal social state? We believe that we have done so, and here rest our case upon the judgment of the reader. . . .

## GILLETTE'S INDUSTRIAL SOLUTION

The world is full of injustice, sin and suffering. The labour of the ages has been to lessen this awful burden. Countless men and women, illumined by a great light within them, have given their lives to this noblest of all tasks. Some have succeeded in a measure, others have failed utterly, but *sincerity lends a dignity even to failure*, of which a pharisaical success never can boast. All honour to these workers great and small, ancient and modern, high or low! *They have fought the one great fight where victory is of paramount importance.* They have arrayed themselves against human pain and thrown their own quivering flesh into the breach between savage ignorance and human kind! They are the saviours of the world; the glory of the past; the vital reality of the present; the hope and the promise of the future. Their crown of thorns shall be the hatred and the scorn of the besotted, the benighted, and the ignorantly selfish of their fellows, but over and above this will float, as a halo, the grateful Godspeed of all those who love their fellow man with an enlightened social sense.

The system here proposed is a labour of love. It is not invented to make money or to exploit any one. He who devised it is utterly incapable of such littleness. It represents the earnest convictions of an earnest man who has spent many years in this sincere effort to be of use to his fellow man. His sincerity needs no other avouch than his earnestness. His carefulness is evidenced by his years of toil. His ability is bespoken in the work itself—a work which is unlike any other of its kind ever consummated, in that it is a plan which meets all of the requirements of social amelioration; which is in perfect accord with all known evolutionary and other scientific data; is practical in its methods; requires no particular following to inaugurate it; is independent of legislation and need not wait for great wealth to launch it—a plan, in brief, the uniqueness of which is found in the fact that social amelioration may be secured as the direct natural evolution of a seed which may be planted to-morrow morning by three men having less than one thousand dollars between them—a seed which, once put into the ground, will grow apace bearing rich fruit in an incredibly short space of time. A glance at Chart C, forming an exhibit of a preceding chapter, will show the reader that, even under our present system, the amount of the entire producible wealth of the country is made every two years, while the same Chart shows that, under a proper system, all this wealth could be created in very much less than *one year*. There is no need, therefore, to wait a generation before results can be obtained.

Once the people become convinced that it is to *all of their interests*, whether *selfish* or *selfial*, to join this movement for social betterment, and the work will spread like a prairie fire, so that the very pioneers of the movement reasonably may expect to live to see the complete revolution it ultimately will bring about. And all this without any *levelling process*; without saddling upon the relatively few who have turned our present bad system to their own good account, the full burden of those awful social mistakes for



## GILLETTE'S INDUSTRIAL SOLUTION

which we are all accountable; and without doing violence or injustice to any person whatsoever; or exercising a single hair's pressure of coercion!

More than this; those who join the system are pursuing a tentative process,—are taking the bull, if you please, not by the horns, hazarding their life on their ability to keep hold,—but rather are seizing the animal by the tail, in a way which will permit them easily to let go should they ever desire to do so. The new work proceeds a step at a time, in the beginning gradually and imperceptibly differentiating itself from present conditions, and proceeding, by a natural growth, straight toward the ideal herein set forth.

There is no new party to be formed; no years of tariff or tax education to be undergone; no legislatures to be controlled; no immense propaganda to be carried on, before the real start can be made. More than all this, it is a plan which recognises the fact that social advancement has generally, if not always, come through commercial relations, and the result of a real or seeming personal advantage to be gained through the change. The proposed régime does not rely for its success upon the efforts of unselfish philanthropists, for it is quite competent to make its way through the commercial self-interest of the unregenerate, using their egoism as a lever to raise both them and their fellows to the highest planes of altruism.

The Gillette plan is scientific, logical, economically possible, natural in its development, and in intimate accord with the largest facts of human existence, to all of which it adds the one great factor absent in other systems,—to wit, *it can be put into immediate execution*. It is the way to a better dispensation. The path is open and the journey can be begun at once. Do you not long to be a pilgrim thither?

## INDEX



1

## INDEX

- Ability and willingness
  - Valuable recommendations, 447
- Absolute ethics
  - Always right to refrain from deception according to, 252
  - And interest, 265
  - Not always wise to follow, 253
- Acrania (skull-less animals), 20
- Activities
  - Many will be eliminated, 425
  - Should be profitable both to race and individual, 459
  - Specialised and systematised, 563
- Advertising
  - Characteristic samples of, 478
  - Unnecessary, 425
- Agriculture
  - Department of, 537
  - Is the basis of every community, 507
- Altruism
  - First appearance of, in the savage, 61
  - The trend of evolving humanity, 65
  - Will make the abuse of power a badge of barbarism, 108
- America
  - Made semi-tropical, 562
  - Warned against foreign countries getting purchased control of her industries, 438
  - "American Monthly Review of Reviews," Nov. 1897, quotation from, 561
- Amœbæ, 18, 20
  - Able to distinguish nutritious and non-nutritious food, 23
- Amphibia, 20
  - "An Introduction to Political Economy," quotation from, 268, 369
- Analogy existing between the bodies corporeal and social, 485
- Anarchy, no middle ground between Socialism and, 326
- Ancients opposed to usury, 141
- Anger in animals and insects, 21
- Animals and Insects
  - Display anger, 21
  - Ernest Thompson Seton regarding, 327
  - Supposed to be incapable of feeling, 21
- Ants
  - And their intelligent habits, 22
  - As ants more perfect than men as men, 105
- Anthropolithic or Quaternary Epoch, 18
- Ape-men, 21
- Apes
  - Semi- (Lemuroidea), 21
  - Similarities and dissimilarities between men and, 23
  - "Apex" in "Liberty," Nov. 26, 1881, regarding interest, 288-289
- Apothecaries, profits of, 147
- Archelminthes (primitive worms), 20
- Archilithic or Primordial Epoch, 18
  - Length of, 18
  - Rocks, 18
- Argument regarding rights of future generations, 254
- Aristotle regarding usury, 85, 141, 268
- Armies of the world disarmed, 487
- Art
  - Progress in, in the age of the mammoth and mastodon, 45
  - Sketches of horse and reindeer in LaMadelaine Cave, 46
  - Theatre of, 513
  - Education, time and opportunity for, 537
- Articles of incorporation and by-laws of World Cor. Invest. Co., 403
- Autocratic power conspicuous by its absence, 434
- Babcock, J. L. M., reply to, regarding interest, 287-288
- Bagehot said there is no pain like the pain of a new idea, 548
- Barter among the Indians, 70
  - Evolution of, 70
  - History of, 70
- Bastiat's plane illustration, 293-292
- Bee, a single, knows nothing, 537



# INDEX

- Bees
  - And their intelligent habits, 34
  - As a hive are marvellously intelligent, 537
  - As bees more perfect than men as men, 105
  - How to produce queen, 205
  - Know the value of food, 205
  - Social organisation of, 205
- Bible regarding interest-taking, 268
- Bicycle, the, organisation, 417
- Bilgrim, Hugo, regarding interest, 298-299
- Biological tree and time required to develop it, 19, 33
- Body corporeal similar to body politic, 106
- Böhm-Bawerk, Eugen V., regarding interest, 306, 307, 359
- Boston the most densely populated city in the U. S., 478
- Brain, relation between the hand and the, 21, 24, 518
- Brennan, Louis, inventor of the gyroscope railway, 561
- Bronze Age, 72
- Buckle regarding interest and rent, 271
- Bulletin, daily, shows approximate wage on basis of day's production, 499.
- Burbank, Luther, regarding environment, 543
- Bureau of Vital Statistics, 537
- Business cannot be run without money, 427
  - Losses unknown under an ideal system, 406
- Cærolithic or Tertiary Epoch, 18
- Canal lock
  - Devised to lower a vessel over Niagara Falls, 509
  - Pneumatic, 561
- Capital
  - Apart from land is yesterday's labour held in suspension, 319
  - Composed of two factors, land and labour, 313
  - "Earning" of, 313
  - Definition of, 132, 266
  - Illustrations of, 131-132, 319-321, 330-336
  - Irving Fisher regarding, 266
  - Ricardo regarding, 267
  - Illustrations and explanation of the "earning" of, 313
  - To-day is yesterday's labour, 332
- Capitalist
  - Confers an advantage upon the borrower, 332
- Every man has an opportunity to become a, 332
- Capitalisation of the World Cor. Invest. Co., 403
- "Century Magazine, The," Nov. 1907, regarding animals, 327
- Certificates of the World Cor. Invest. Co., 432-433
- Exchangeable for services, 432-433
- Most eagerly sought, 433
- Used as present day checks, 433
- Not a perfect substitute for money, 433
- Character a past history, 9
- Charter and by-laws of the World Cor. Invest. Co., 403, 404, 405
- Child
  - The, repeats the history of the race, 46
  - Strength of the new born, 46
  - First impulses of the, 47
  - Similarities between the savage and the, 48-49
  - The, taught to do things, 511-512
  - The first seven years determines the life of the, 517
  - A, the bequest from the past, through the present to the future, 517-518
  - The, a bundle of inherited tendencies, 518
  - The, plastic to a degree, 518
  - A, declared foolish when in reality he was deaf, 519
  - The, the future state, 523
- Children
  - Male, born after wars and famines, 205
  - Of a larger growth, are we all, 395
  - Age at which, are sent to school, 518
  - Thought mentally deficient because of some physical infirmity, 518-519
  - Go to school hungry, 519
  - The effect of home influence upon, 521
  - Lack of system in the home training of, 521
  - Laissez faire* system in the training of, 521
  - Sheltered system in the training of, 521
  - A better place than the home to educate, 523
  - Death-rate among, 544
- Choice
  - Found in insectivorous plants, 23
  - According to many is between competition and monopoly only, 413

## INDEX

- Is between coöperation, free competition and monopoly, 488
- Of work considered, 511-513
- Chorda-Animals, 20
- Christ, the life and death of, a protest against competition, 542
- Christian, the religious belief of the, 39
- Christianity
  - But a name, 162
  - Of Christ a reality, 538
- Church, the new, 537
- Cities
  - Development of beautiful, 562
  - Several seaport, 567
- City
  - The psychic air of the, under the competitive régime, 478
  - Description of the new, 467-471, 562-564
- Climate controlled by enterprise, 562
- Closed system of forces, illustration of, 120
- Clothing one of man's essential needs, 485
- Coal miners starving while farmers are burning corn, 509
- Commercial garden spots of the world, 437
- Commercialism a symptom of the disease of individualism, 542
- Commodities, supply of, regulated by an arbitrary fixing of factors, 493
- Compete, synonym for, 150
- Competition
  - Essence of, 35
  - Warlike from its birth, 58
  - Physical, 90
  - Scarcely exists in newly opened countries, 96
  - Essential attributes of, 96
  - As viewed by Socialists and Single Taxers, 98
  - The ideal condition according to some views, 98
  - Free, 99
  - And monopoly, 99
  - Adam Smith regarding, 99-100
  - Proudon regarding, 103, 127
  - Kills competition, 103
  - The life of trade, 107
  - H. W. Macrosty regarding, 103
  - Birth of, 103
  - M. Dunoyer regarding, 103
  - A false principle, 103
  - And Custom, John Stuart Mill regarding, 103
  - Given various definitions, 103
  - The ethics of the jungle, 104
  - Illustration of, 103
- The death of business, 105
- In the human body the cause of disease, 106
- And coördination, difference between, 107
- Illustration of the burning of a vessel at sea, 113
- Illustration of a caravan crossing the desert, 114-115
- The concomitant of trade, 119
- Is monopoly in process of making, 120
- Per se* unproductive, 128
- Wasteful and unchristian, 128
- Charles Darwin regarding man and, 130
- free, illustration of, 128
- The Ultima Thule of the advocates of free competition is balanced, 150
- The effect of 20th century, 162
- Among sperm-cells, 163
- Ninety-five per cent. of business enterprises fail because of, 171
- Illustrations of, 171-172
- Choice between monopoly and, 172
- Reaches equity, 173
- Buying and selling, 173
- Walter G. Cooper on, 173
- John Graham Brooks regarding the wage system, 175
- Wm. Miller Collier on wastefulness of, 175-176, 177
- The mother of trusts, 179
- Bolton Hall on free, 180
- Of to-day wasteful, cruel and unphilosophical, 190
- Louis F. Post on, 190-191
- Abolition of monopoly will restore freedom to, 191
- Sidney A. Reeve on, 192
- Adam Smith's exposition of the effects of, 192-194
- Cost of, to the community, 194, 195, 196
- And coöperation, illustration of the ethical values of, 330-331
- Anti-social spirit of, 331
- Individualises desires and their satisfactions, 415
- Not Nature's method, 415
- And monopoly, many think the only choice is between, 431
- An affliction to the human race for ages, 458
- Advocates of, believe they have a patent on liberty, 487
- Free, determines the exchange value of commodities according to some views, 489
- In defiance to the Golden Rule, 542



# INDEX

- Rank individualism, 542
- The life and death of Christ a protest against, 542
- The system of, degenerates individuals, 542
- Competitive savagery of the 20th century, 56
- Computations of interest, 346, 347, 348
- Coniferae, age of reptiles and pine forests, 18
- Conspiracies impossible because unnecessary, 500
- Consumption
  - Of importance under the Gillette system, 394
  - A means to happiness, 394
  - Begins when production ceases, 421
- Coöperation
  - In the human body, 106
  - Social good the ultimate under, 129
  - Of workers, Proudhon regarding, 256
  - And competition, illustration of the ethical values of, 330-331
  - Competition and monopoly, choice is between, 431
  - Illustrations of, 487
- Coördination and competition, difference between, 107
- Corruption
  - Frank Parsons regarding causes and conditions of, 224
  - James Mackaye regarding causes and conditions of, 224
  - In politics, 542
- Cosmos evolved out of chaos, 13
- Cost, definition of, 223-224
- "Cost of Competition, The," quotation from, 301-306
- Country, a, is no purer than the foulest citizen who conforms to its laws, 166
- Court, Supreme, upholds a decision which arrogates the right of the present to disfranchise the future, 255
- Creation
  - Three theories of, 13
  - Second form of, most probable, 13
  - Purposefulness of, 39
- Crime
  - Not refined by changing its wickedness, 62
  - Private, considered more heinous than public, 396
  - Abolished, 537
- Criminals
  - Exhibit sensory shortcomings, 529
- Facial peculiarities of, 529-530
- Currency, articles used as, 73-75
- Cyclostomia (jawless animals), 20
- Dartmouth College decision, 251-255
- Darwin, Charles, regarding growth of man, 71
  - Regarding competition, 130
- Death-rate among children, 544
- Del Mar, Alexander, regarding money, 85
- Denizen from another planet, how the present social system would appear to a, 394
- "Devil take the hindmost, the," 129
- De novo* thinking, 574
- Density, average, of population, 477-478
- Dictator, the man with the money is, 449
- Diffraction grating, 533
- Distribution
  - A factor of production, 421
  - And production, 421
- Dogmas, defects of human reasoning due to unquestioning acceptance of, 9
- Dollar mad ant-hill scramble of Broadway, 478-479
- Dunoyer, M., regarding competition, 103
- Dutton, Chauncy F., pneumatic canal lock devised by, 562
- "Earn," dictionary definition of, 133
- "Earning" of capital, 313
- Earth
  - The, receives one two-thousand-millionth part of the heat of the sun, 14
  - Solidification of the, 17
  - History of organic, 17, 18
  - The, made for the use of man, 131
  - The, the great storehouse, 131
  - Man's inalienable right to the use of the, 214
- Education
  - Abiding influence of habits and, 265
  - Of the workers, 438
  - Industrial, 438
  - Comparison of present system with Gillette system regarding, 439
  - Utilitarian, 439
  - Of the young of vital importance, 517
  - Present, not practical, 520
  - College, unfits a young man for living, 520

# INDEX

- Of girls the same as of boys, 533
- To continue as long as the individual wishes, 534
- In science, 537
- Efficiency
  - The aim of the World Cor. Invest. Co., 430
  - The badge of office, 434
  - Social, the badge of respectability, 513
- Efficient workers in demand for heads of departments, 438
- Egg-cells, 163
- Egoism is individualism, 63
- Electric battery, 367
- Elephant, trunk of the, 21
- Elephant's trunk has great intelligence, 24
- Elimination of myriads of activities, 486
- Ely, Richard
  - Regarding interest, 268
  - Regarding profits, 369
- Embryo human, more than 90% water, 17
- Employers do not often overpay their help, 448
- "Employers pay wages for product," etc., 507
- Employment
  - Remunerative, in pursuits for which men are best fitted, 432
  - Men look to World Cor. Invest. Co. for, 432
- England lost her liberties through right reasoning from wrong premises, 107
- Environment
  - An ideal, necessary to highest happiness, 33, 45
  - Of all is changing, 205
  - Power of, 427-428, 576
  - Of vital importance to the child, 518
  - Luther Burbank regarding, 543
  - Human betterment must come through change of, 543
- Epochs or divisions of organic earth, 18
- Equal rewards for unequal services, 459
- Equality
  - Inalienable rights of all focus at, 253
  - The characteristic of justice, 256
  - Only attained under a complete democracy, 572
- Equilibrium
  - Static not dynamic, 112
  - Another name for death, 112
- Ethics
  - Absolute and relative, Herbert Spencer regarding, 206
- The domain of, the domain of otherdom, 517
- Not always wise to follow absolute, 252
- Always wise to refrain from deception according to absolute, 252
- Absolute, and interest, 265
- Evolution
  - Propounded, 13
  - Argument in favour of, 13
- "Evolution
  - Of Man, The," quotation from, 18, 163
  - All forms of life in, do not march upwardly, 18
  - Social, an important part of Nature's plan, 21
  - And teleology combined accepted by many, 40
  - Is progressive, 63
  - A gradual process, 477
- Evolutionary stages of barter, 70
- Examination, methods of, 432
- Eye, the, made by light, 14
- Factors of political economy, 365
- Failure, the majority of the race foredoomed to, 459
- Falsehood is a discord in process of obliteration, 36
- Family, the, evolutionary necessity for care of young, 520-521
- Farming revolutionised under the Gillette system, 510
- Favouritism impossible under the Gillette system, 477, 501
- Fear
  - A dragon, 225, 547
  - Will sink into oblivion, 537
  - Psychology of, 546-547
- Finance Board
  - Election of, 403
  - Members of, 403
  - Of Holdings Company, 405
  - The ablest that can be obtained, 406, 423
  - Members of, from all nations according to stock held, 423
  - Advise purchase of securities, 423
- Financial system, present, a house of cards, 426
- Financiering, frensied, 402
- Fire insurance eliminated, 486
- Fisher
  - Irving, regarding capital, 266
  - Jabez, computation of interest by, 347
- Fishes, primitive (Selachii), 20
- Fitness, mental and physical, coördination between, 24
- Fittest, the, bound to survive, 458



## INDEX

- Food**  
 Appetites in primitive man, 49  
 Nutritious, necessary to sex development, 205  
 Poisoned, a thing of the past, 436  
 Preparation of, 563  
 Distribution of, 563  
 "Fors Clavigera," quotation from, 265, 337  
 Franchises given in perpetuity, 255  
 Freedom of a country, the measure of the, 421-422  
 Freight, average moving of, 242  
 Fruit destroyed to increase prices or prevent glut in the market, 509  
 Flying machine, the, a means of transit, 561
- Garden spots, commercial, of the world, 542**  
**Gastreada, 20**  
**Genealogy of man, 10**  
**Generation, the next, children of the failures of this, 204, 459**  
**George, Henry, regarding interest, 273-278**  
**Germ history, Haeckel regarding, 163**  
**Gilman, Charlotte Perkins, "Charity," quotation from, 355**  
**Gillette system**  
   The Ultima Thule of things social, 9  
   A result of careful study of Nature's methods, 157  
   A producer of happiness, 166  
   Abolishes rent and interest, 220  
   Distinct characteristics of the, 401  
   The ameliorant of human suffering, 401  
   Proposes to buy the wealth of the world, 402  
   Gives to labour its just return, 403  
   Business features of the, 403  
   Psychological and sociological trend of the, 415  
   Will draw men together, 418  
   Will effect a juncture with existing conditions, 422-423  
   Not competitive, 434  
   Refers all questions to court of last appeal, 435  
   Will regulate supply and demand, 446  
   In partnership with Nature, 447  
   Difference between the present system and the, 459  
   Plan to be pursued by the, 460  
   In full fruitage, 477
- How the, will supply human wants, 485**  
**Will eliminate overreaching, 489**  
**A perfectly cooperating democracy, 489**  
**Reaches development by evolution, 493**  
**Broad generalities of the, 505**  
**Will revolutionise farming, 510**  
**Mutuality of interest under the, 513**  
**Education of the child under the, 522-523, 528-537**  
**No compulsion or coercion under the, 522**  
**Simple, practical and easy of adoption, 572**  
**A labour of love, 577**  
**Gillette, King C., author of "The Human Drift," 555**  
**"Gillette's Social Redemption," quotation from, 142-143**  
**Girls' education the same as boys', 533**  
**Gold and silver, value of uncoined, 79**  
**Golden Rule**  
   Application of the, the solution of social problems, 222  
   Of competition, 427  
   Of Christ, 427  
   Defied by competition, 542
- Goods**  
 Are exchanged for other goods, 489  
 Exchanged for money but half an exchange, 489-490  
 Will be obtained from warehouses, 550  
 No deception in selling, 550-551
- Government**  
 Ownership, 223  
 Costs individuals less to perform certain acts than it does, 223
- Graft, our land, 438**  
**Great Lakes**  
   Traffic of the, 509  
   Privileged legislation prevents the opening up of the, 509  
   Opened to the sea, 560  
**Greatest good to the greatest number, 28**  
**Gyroscope railway invented by Louis Brennan, 561**
- Haeckel, Ernst**  
 Regarding water and its effect upon the earth, 17  
 Regarding five divisions of the history of the organic earth, 18  
 Regarding man's mental powers, 21

# INDEX

- Regarding the soul, the will and passions, 22
- Regarding germ and tribal history, 163
- Hand and brain, relation between the, 21, 24, 518
- Hand, the, a wonderful tool, 33
- Happiness
  - The object of life, 41
  - Results from selfish activities, 41
  - The quality, quantity and equality of, 42
  - Dependent upon environment, 45
  - Methods by which men pursue, 45
  - Human, 206
  - Equality of, 208
  - Attained by gratification of desires, 214
  - The most important product in every society, 225
  - Socialism of some sort the solution to human, 248
  - A natural right, 250-251
  - Value of all things referable to, 365
  - Attained through consumption, 394
- Hare-Spence system of voting, 403
- "Hazard of New Fortunes," quotation from, 133
- Health maintained by proper functioning of organs, 64
- Heavenly bodies formed out of nebular mist, 13
- Herschel's, Sir W., telescopic discoveries, 14
- "History of Civilisation in England," quotation from, 271
- Hoag, Clarence G., regarding interest, 308-309, 360
- Holdings Company
  - The, 404
  - Function of the, 404-406
- Hours
  - Length of working, 460
  - For work in various industries regulated by necessity and vote of workers, 511
  - Required for work to supply all needs, 481, 537
- "House,
  - You take my, when you do take the prop," etc., 131
  - Of cards, present financial system a, 426
- Howells, regarding interest, 133
- Human
  - Beings evolved products of the past environments and experiences, 9
  - Personality the product of man multiplied into his environment, 10
  - Beings similar to bees in socialised efforts, 537
  - "Human Drift, The," quotations from, 555-560, 564-566
  - Huxley regarding ooze, 17
- Illinois land worth but a few dollars per acre, 257
- Illustration
  - Community of ten people, 42
  - Of two savages competing for food, 56
  - Of the burning of a vessel at sea, 113
  - Showing errors in definitions of interest, 317-318
  - Of interest, 319-321
  - Of ten men on an island digging clams, etc., 328-331, 332-336
  - Of the illusiveness of interest, 351-355
  - Of the field of wheat, 328-343, 351-358
  - Of the gold watch, 357
  - Regarding the purchasing back of products, 382-388
  - Botanical, of individual methods, 427-428
  - Of monopolistic tendencies, 487
  - Tendency to overreach, 487-488
  - Of principles of supply, demand, exchange, price, etc., 493-499
  - Of education under the Gillette system, 528
- Inalienable rights, conditions determining, 252
- Independence a canker which infects the unthinking, 513
- Indians, barter among the, 70
- Individual
  - The, the rounded total of his history, 53
  - Rights in production from the earth, 325
  - What is produced by the, 328
  - No aggregate larger than the, 331
  - Power corruptive, 396
  - And social motives, difference between, 396
  - Methods to alter characters of 15 million people, 427
- Individualism
  - The badge of war and bloodshed, 62
  - Is egoism, 63
  - Has such rights as are agreeable to an ideal society, 64
  - Against Socialism, 272
  - The science of selfdom, 361
- Industries classified and directed by



# INDEX

- ablest talent obtainable, 434-436
- Inefficiency of physicians in public schools, 519
- Infinite being, existence of an, 40
- Initiative, the, 396, 403, 423, 434, 466, 501, 512, 549, 564
- Insanity among ranchmen, 96
- Insect life, preference in, 26
- Insects and spiders possess power of muscular coördination and intelligent adaptation, 23
- "Instead of a Book," quotation from, 281-287
- Instinct
  - A racial memory, 34
  - In ants, bees, wasps, the crow, 106
- Institutions, sister, result of the new system of education, 537
- Insurance
  - Unnecessary, 486
  - Life, cost to maintain, 487
- Interest
  - Is that which accrues to capital, 133
  - Howells regarding, 133
  - Quotation from Vol. 1 regarding, 142-143
  - Compounding tendency of, 143
  - Would cease if land were free, 144
  - Theories regarding, 145
  - Natural, 146
  - Illustration of a bottle of wine, 146
  - A morally indefensible proposition, 151
  - Abolished under the Gillette system, 220
  - Considerations of, 65
  - Definitions of, 65, 313, 316
  - And absolute ethics, 265
  - Unjust under an ideal system, 265
  - John Ruskin regarding, 265, 337
  - Kellogg regarding, 266
  - Richard Ely regarding, 268
  - In the Middle Ages, 268
  - The Bible regarding, 268
  - Aristotle regarding, 268
  - Chas. H. Vail regarding, 269
  - Adam Smith regarding, 269-319
  - Proudhon regarding, 269-306
  - Buckle regarding, 271
  - Henry George regarding, 273-278
  - Benj. Tucker regarding, 281-287
  - "Liberty," regarding, 288
  - "Apex," in "Liberty," Nov. 26, 1881, regarding, 288-289
  - "Liberty's" criticism of article in "To-day" regarding, 289-290
  - Article in "Liberty," Aug. 6, 1881, regarding, 295
  - Hugo Bilgrim in "Phila. Mechanics" regarding, 298-299
  - Bernard Shaw in "Liberty," Sept. 24, 1887, 299-301
  - Sidney A. Reeve regarding, 301-306
  - Böhm-Bawerk regarding, 306-307
  - Clarence G. Hoag regarding, 308-309
  - Views of various writers regarding, 313-314
  - How determined under free conditions, 319
  - taking, present mode of, 319
  - Not just because it cannot be generalised, 337
  - Natural increase theory of, 336
  - Is paid by labour, 346
  - Computations of, 347, 348
  - A Minotaur, 350
  - Is subtle and seductive, 351
  - Illustration of the illusiveness of, 351-355
  - Will play no part in an ideal social system, 394
- Interplanetary visitation possible, 562
- Invertebrate intestinal animals, 20
- Invertebrates developed from one-celled organism, 18
- Investor, the, safeguarded, 406
- Iron Age, 72
- Jawless animals, (Cyclostoma), 20
- Jones, Willie, an imaginary case illustrating the educational methods under the Gillette system, 528
- Just system, James Mackaye regarding a, 221-222
- Justice
  - Nature's course is towards, 152
  - The keynote of a perfect system, 203
  - Definitions of, 207
  - Equality the characteristic of, 256
  - According to Single Tax, 267
  - Knows no boundary or limitation, 267
  - How to effect perfect, 259
  - Attainable only under a democracy, 572
- Kant's nebular mist theory, 13
- Kellogg regarding interest, 265
- Kelly, John F., letter in "Liberty," July 2, 1887, by, 296-298
- "Krauth-Fleming Vocabulary of Philosophy," quotation from regarding Pantheism, 40

# INDEX

- Labour**  
 Man's fundamental right is to trade his own, 121  
 Yesterday's, is to-day's capital, 132  
 All wealth comes from the earth by, 214  
 Specialised, 215  
 To, belongs the total product of labour, 255  
 Communal, more profitable than industrial, 318-319
- Labourer**  
 Secures wealth by labour, 214  
 Under a just system his product could be purchased back by the, 382
- La Madelaine cave in the Dordogne,** 46
- Land Rent**  
 Unjust, 134  
 Interest would cease if land were free, 144  
 Individual ownership of, indefensible, 152  
 An acre of, on Broadway more valuable than 10,000 acres in Texas, 152  
 Stolen from the people, 152  
 Society's mistake the individual ownership of, 153  
 Single Tax attains justice by taxing, 257  
 In New York worth \$1,000,000 per acre, 257  
 In Illinois worth but a few dollars per acre, 257  
 Value created by society, 257  
 A communal right, 319  
 Will be a perilous investment, 437
- Landlordism dethroned,** 437
- Laplace's conception of formation of heavenly bodies,** 13
- "Lecture on the Causes and Phenomena of Organic Nature,"** reference to, 17
- Law bears no necessary relation either to right or ethics,** 251
- "Let the buyer beware, *caveat emptor*,"** 128
- "Letters to British Workmen,"** quotation from, 290-292
- Liberty**  
 Equality of, 203  
 Runs into license, 207  
 Definition of, 208
- "Liberty"**  
 Reply to J. L. M. Babcock regarding interest in, 287-288  
 Nov. 26, 1881, article by "Apex" in, 288-289
- Criticism of article on interest in "Today,"** by, 289-290  
 Aug. 6, 1881, article regarding interest in, 295-296  
 Sept. 24, 1887, Bernard Shaw regarding interest in, 299-301  
 July 2, 1887, letter by John F. Kelley in, 296-298
- Life**  
 Forms contain water in large quantity, 17  
 Forms in every degree seek pleasure and avoid pain, 27  
 An interplay between personality and environment, 33  
 A school to the Christian, 39  
 Few live the ideal, 45  
 Figurative use of the term, 112  
 Of service the real life, 129  
 Comes from an egg, 163  
 Not worth repeating, 217  
 Should be a sort of pleasure excursion, 395  
 A process of transformation of energy, 485  
 The function of, is the balancing of the account, 513  
 Life preservers filled with sawdust and scrap-iron, 513  
 Lincoln, Abraham, cartoon, 472  
 Locks, pneumatic canal, devised by Chauncey F. Dutton, 561  
 Lockyer's suggested meteoric theory, 13  
 Locomotion bears direct ratio to power of sight and hearing, 24  
 Logic not taught until the closing years of school life, 519  
 Loss, the correlative of profit is, 147  
 Losses, business, unknown under an ideal system, 406  
 "Lung Block," 478
- Machine, the strength of,** 421
- Mackaye, James**  
 Regarding right and wrong acts, 206  
 Regarding a just social system, 221-222  
 Regarding corruption, 224-225
- Macrosty, H. W.,** regarding competition, 103  
 "Magnetic lag," 443
- Mammals or mammalia,** 21
- Man**  
 Endowed with reason and a soul, 21  
 Tends to gratify his desires, 28, 86, 424  
 Lowest forms of, belong to the ape class, 33



## INDEX

- Similarity between apes and, 33  
 Pursues happiness by various methods, 45  
 Stood upright and walked, 45  
 Past history of, 46  
 The unit of society, 53  
 Primitive, how he obtained pleasure, 53  
 Life and habits of primitive, 53-54  
 Primitive, had no idea of causation, 66  
 Growth of, according to Darwin, 71  
 Unbroken chain of the development of, 71  
 A social being, 96  
 Not the only society in existence, 105  
 Has no right to gratify his desires at the expense of his fellow man, 116  
 His brother's keeper, 128  
 Finds that the love he liberates is the love he keeps, 129  
 Delights in competition, 130  
 Is to-day dominated by self-interest, 164  
 Individually cannot produce sufficient for his desires, 215  
 Represents that natural selection called the compound interest of tendency, 250  
 That which he produces belongs to, 255  
 Vanishingly small is the individual part of, 255  
 Has no right to a portion of the earth to the exclusion of the right of others, 259  
 Has a right to his just proportion of the entire productivity of the earth, 260  
 Interest is of importance to, 265  
 Socialisation necessary to, 326  
 Cannot become civilised until socialised, 328  
 Does best that which he likes best, 396  
 Privileged to regulate his work and the length of time he works, 462  
 The life of, expresses itself in interest and external activities, 485  
 Free to use his activities in any manner that pleases him, 489  
 Will get all for which he labours, 489  
 Can supply all his needs by two or three hours' work a day, 499  
 Business, in politics, 542
- Man's**  
 Mental powers, 21  
 Psychic life no exception to the general rule, 22  
 Fundamental right is to trade his own labour, 121  
 Right to exist, 131  
 Inalienable right, 131  
 Economic relations tend toward perfect socialisation, 247  
 Inalienable rights are part and parcel of him, 251  
 Right to liberty, 252  
 Inalienable right to the earth inheres in him for a limited period, 254  
 Indebtedness, 256  
 Social interest his highest personal interest, 562  
 Maori, peculiarities in dress of the, 48  
 "McClure's Magazine," Dec., 1907, quotation from, 561  
 McIntosh's, G. B., computation of interest, 327  
 Mechanism of production, 485  
 Medusæ  
   Contains 99% water, 17  
   Able to distinguish between light and darkness, sound and silence, 23
- Men**  
 Are living on futures, 218  
 Differences and similarities separate and unite, 417  
 Will look to World Cor. Invest. Co. for employment, 432  
 "Mental  
   Evolution of Man" by Romanes, quotation from, 22  
   And Physical fitness, coördination between, 24  
 Mesolithic, or Secondary Epoch, 18  
 Metazoa, Evertabrata, 20  
 Meteoric theory, 13  
 Meteorology, 537  
 Metropolis  
   The, for this continent near Niagara, 555  
   Description of the new, 556-560
- Mill, John Stewart  
   Regarding money, 87, 89, 90  
   Regarding competition, 103  
   Says, "When two things are necessary to a result one cannot be said to be more necessary than the other," 128  
 Millionaires have lost their power of normal enjoyment, 218  
 Mind, breaking down of the human, 46-47  
 Mollusca able to choose their mates and remember locality, 23

# INDEX

- Monera, the, the simplest life form began during the Archilithic Epoch, 18
- Money
  - An exchange commodity, 72
  - Frank Parsons regarding, 75
  - Value of, 79
  - The common denominator of all desires, 79, 433
  - Hypothetical case to illustrate the value of an exchange commodity, 80
  - The essential requisites of, 81
- "Money, Rational"
  - Quotation from, 81-82
  - Aristotle's views of, 85
  - Efficiency of, a matter of legislation, 85
  - Del Mar regarding, 85
  - Symbols of, 85
  - A labour-saving invention, 87
  - Adam Smith regarding, 87
  - John Stuart Mill regarding, 88, 89, 90
  - "Earning" interest, 139
  - "Earning," illustrations of, 139-140
  - "Earning" power of, 143
  - Not wealth, 214
  - A commodity, 433
  - "Is only a medium of exchange," etc., 507
  - A token of social service, 549
  - Under the Gillette system a credit slip, 550
- Monopoly
  - And competition, 99
  - And competition, many believe the only choice is between, 431
  - Not monopoly within its own limits, 487
- Monopolistic practices, 122
- Nation mad over production, 422
- Nature
  - Governed by law, 9
  - Eliminates useless organs, 21
  - Moves along lines of least resistance, 28
  - Silences all discords, 28
  - Makes for efficiency with pleasure as its result, 29
  - Makes toward good, 36
  - Universal tendency of, 60
  - Cares little for the individual, 63, 318
  - And interest, 146
  - Course of, is toward justice and right, 152
  - Only those things succeed that adapt themselves to, 157
  - The destructive forces balance the constructive forces of, 314
- "Nature of Capital and Income," quotation from, 266
- Navies reduced to scrap-iron, 487
- Nebular
  - Hypothesis theory, 13
  - Mist theory, 13
- Nerve structure, first appearance of, 23
- Nervous
  - Transmission, rate of, 99
  - The, system, 166
- New York land worth \$1,000,000 per acre, 257
- New Zealand
  - Maori, 48
  - Sheep and kea parrot illustration, 215
- Niagara Falls, canal lock devised to lower a vessel over, 509
- Oligarchy in the U. S., 395
- Ooze, the most important fact in the past history of the earth is, 17
- Organic life upon the earth, when begun, 17
- Oriental
  - The religious belief of the, 39-40
  - Test of guilt, 546
- Ostentation will disappear, 538
- Overproduction
  - The cause of hard times, 122
  - Bugaboo, 122
  - Soap-bubble illustration of, 122-123
  - A disease, 123
  - Fetich explained, 449-450
- Pagan, the religion of the, 40
- Pain
  - Destructive and disorganising, 24
  - Avoided by all forms of life, 27
  - Defined, 27
  - Predominates under present régime, 217-218
- Palæolithic or Primary Epoch, 18
- Panic, the money, 426
- Pantheist, the belief of the, 40
- Pantheism, definition of, 40
- Paper, daily, of the World Cor. Invest. Co., 423
- Parrot, illustration of the kea, 215
- Parrots the most intelligent of birds, 24
- Parsons, Frank, 75
  - Regarding money, 75
  - Regarding causes and conditions of corruption, 224
- Passions, the, 22
- Patent medicines, fictitious demand for, 445
- Patriotism a tawdry sentiment, 417
- People of deficient mentality exhibit sensory shortcomings, 527



# INDEX

- "Perpetual Motion an Orthodox Doctrine," quotation from, 299
- Personality the dominating factor in a human being, 64
- Pessimism, 397
- "Philadelphia Mechanics," Hugo Bilgrim in, 298-299
- Physical
  - Fitness presupposes mental fitness, 21, 24
  - Biological tree, description of, 22
  - Physicians in public schools, 518
  - Piece-worker, every man practically a, 462
  - Plan, the, of the Gillette system, 460
  - Planmada, 20
  - Plant
    - The, in process of growth, 401
    - In full fruitage, 401
  - Planting the seed of the Gillette system, 401
  - Play and work, the difference between, 395
  - Pleasure
    - Is constructive and organising, 24
    - Sought by all forms of life, 27
    - Defined, 27
    - How primitive man obtained, 53
  - Policy of the corporation will be tentative, 477
  - Political economy, prime factors of, 365
  - "Politics of Utility, The," quotation from, 221-222, 224-225
  - Poor and rich hobo fraternity, 458
  - Population, density of, 93
  - "Position of William, The," 290-292
  - "Positive Theory of Capital, The," 306
  - Post, Louis F., regarding social service, 350
  - Postal service, free, 548
  - Pouched animals, 21
  - Power of Recall, 396, 403, 434, 466, 501, 512
  - Preference in insect life, 27
  - Present
    - The, the sum of all the past, 53
    - System, the, a veritable sieve, 509
  - Prices easily determined and ordinarily would not fluctuate, 499
  - Primordial, or Archilithic Epoch, 18
  - "Principles of Scientific Socialism," quotation from, 103, 269
  - Produces, to man belongs that which he, 255
  - Production
    - Results from three factors, 132, 316
    - Includes distribution, 421
    - Ceases when consumption begins, 421
    - And distribution regarded as a mechanism, 421
    - The present age mad over, 422
    - Difference between old and new methods of, 486
  - Profit
    - Correlative of, 147
    - Unjustifiable, 248
    - Adam Smith regarding, 319
    - Definition of, 365
    - One of the secondary factors of production in disguise, 369
    - Definition by various writers of political economy of, 369
    - Upon profits, illustration of, 369-371
    - taking prevents the labourer from purchasing back his product, 382
    - Will play no part in an ideal social system, 375
  - Promammalia (primitive mammals), 21
  - Propitiatory gifts the custom with savages, 66
  - Protista, 18
  - Protists exhibit emotion, 22
  - Protoplasm, 18
  - Protoplasmic and unicellular organism able to distinguish certain things, 23
  - Protozoa, 20
  - Proudhon
    - Regarding competition, 103, 127
    - Regarding coöperation of workers, 256
    - Regarding interest, 269, 306
    - Regarding errors in, 316
    - Definition of rent and interest, 316
  - Proxy, voting by, not permitted, 436
  - Psychic air of the city under competitive régime, 467-471
  - Public opinion more cogent than any law, 219, 513
  - Pugilists graded according to physical requirements, 519
  - Purchase of securities by advice of Finance Board, 423
  - Quaternary, or Anthropolithic Epoch, 18
  - Race, the, affected by the fate of families, tribes and nations, 416
  - Railroads, average moving of freight on our, 242

# INDEX

- Railways
  - Gyroscope, 561
  - Toll, 549
- "Rational Money," quotations from, 75, 81-82, 85-86
- Raymond Dubois, inventor of the "sleigh," 529
- Readers divided into two classes, 342
- Reason
  - Of man, 21
  - No sound, can be woven from rotten, raw material, 33
  - For choosing Niagara for site of new city, 556-560
- Record
  - Of its acts kept by the Organisation, 499
  - Tabulated, of development of each individual, 490-491
- Reeve, Sidney A., regarding interest, 301-306
- Referendum, the, 396, 403, 423, 434, 466, 501, 512, 549, 564
- Relative ethics, illustration of, 330-331
- Religion
  - Inconsistencies in, 40
  - The new, 538
- Religions and philosophies, points of agreement in all, 39, 40
- Religious thought, attributes of, summed up in the word teleology, 39
- Rent
  - Is that which accrues to land, 132
  - Of land unjust, 134, 248
  - Morally indefensible, 151
  - Abolished under the Gillette system, 220
  - Argument frequently heard in favor of, 259
  - Buckle regarding, 271
  - Definitions of, 248, 316
  - Will play no part in an ideal social system, 394
- "Residual magnetism," 444
- Ricardo regarding capital, 267
- Rich and poor hobo fraternity, 458
- "Riddle of the Universe, The," quotation from, 21
- Right
  - Of man to exist, 131
  - Man's inalienable, to use of the earth, 121
  - What is meant by the term, 151-152
  - Acts, James Mackaye regarding, 206
- Rights of future generations, 254
  - Equal, of others, 256
  - Personal and communal, 315
  - Communal, in wages, 318
  - Individual, in what is produced from the earth, 321
- Roman
  - Catholic Church opposed to usury, 141
  - Empire sank because a few men controlled it, 243
- Romanes
  - Regarding development in lower life forms, 22
- Romanes' psychical biological tree, 22
- "Mental Evolution of Man," quotation from, 22
- Regarding coördination between physical and mental fitness, 24
- Regarding perceptions in animals, 327
- Rush seat illustration, 97, 111
- Ruskin, John
  - Regarding interest, 265
  - Regarding Bastiat's plane illustration, 290-299
  - Regarding interest, 337
- "Russian Fear, The," 548
- Savage
  - Similarities between the child and the, 47
  - Strife and bloodshed, the life of the, 61
  - The, the purest example of egoism, 61
  - First appearance of altruism in the, 61
  - Chief is hungry if a child of the tribe is hungry, 538
- Science
  - No sharp lines of demarcation in, 33
  - Temple of, 537
  - Education, 537
- Scientific
  - Classification, the basis of, 417
  - Education, time and opportunity for, 537
- School
  - Life to the Christian is a, 39
  - System, the, devised for fitting the scholar for life, 511
  - Public, inefficiency of physicians in the, 518, 519
- Scolecida (soft worms), 20
- Secondary, or Mesolithic Epoch, 18
- Securities
  - Outright purchase of dividend paying, 403
  - Of the World Cor. Invest. Co. to be permanently held, 403
  - Purchased by advice of Finance Board, 423



# INDEX

- Worthless, exchanged for valuable ones, 425-426
- Selachii (primitive fishes), 20
- Selfish activities produce ideal happiness, 41
- Selfishness a hindrance to social betterment, 398
- Senses, the, the yardstick by which the pupil measures the universe, 518
- Sergius', Grand Duke, retort, 417
- Seton, Ernest Thompson, regarding habits of animals, 327
- Sex
  - Appetites in primitive man, 49
  - Love, 49
- Shareholders in the World Cor. Invest. Co., 415
  - If efficient will be given preference in employment, 432
- Shares redeemable upon demand, 407
- Shaw, G. Bernard, regarding interest, 299-301
- Shelter one of man's essential needs, 485
- Shirking disadvantageous to an individual, 500
- Sick, the, especially cared for, 536
- Sight and hearing bear a direct ratio to powers of locomotion, 24
- Silver and gold, value of uncoined, 79
- Sin
  - Is egoistic,—virtue is social, 517
  - Is competitive,—virtue is cooperative, 517
- Single Tax
  - Views of competition, 98
  - Attains justice by taxing land, 257
  - Labelled, 257
  - Explained, 257-258
  - Claims that society creates land values, 257
  - Not adequate to all needs, 572
- Skeleton in every closet, 521
- Skull-less animals or Acrania, 20
- Slavery
  - Birth of, 57
  - Grew out of cannibalism, 65
- "Sleigh," the, invented by Dubois Raymond, 529
- Smith, Adam
  - Regarding money, 87
  - Regarding competition, 99-100
  - Regarding interest, 269-319
  - Regarding profit, 319
- Social
  - Conditions capable of radical improvement, 9
- Conditions responsible for large percentage of suffering, 9
- Ideal is grand and noble, 63
- Disease, 122
- Sense, they are to be pitied who lack the, 164
- System, the, no better than the lot of the poorest member living under it, 166
- Service, Louis F. Post regarding, 350
- System, the ideal, 394
- And individual motives, the difference between, 396
- Betterment impossible because of man's selfishness, 397
- System, the present, one of untold misery, 402
- System, the present one of commercial strife, 415
- Machine, the strength of a, 421
- Machine, the, one of many parts, 425
- Body, the, regarded as a larger individual composed of cells or social molecules, 485
- The badge of respectability, 538
- Socialism
  - Of some sort the solution to the problem of human happiness, 248
  - Against individualism, 272
  - No middle ground between Anarchy and, 326
  - The essence of otherdom, 361
  - Illustration of perfect, 397
  - Generalises desires and their satisfactions, 415
  - Various schools of, objections against, 456
  - A levelling process, 456
  - Not adequate to all needs, 572
- Socialists think the present régime one of baneful competition, 98
- Society
  - A relation between individuals, 53
  - Relation of individualism to, 64
  - Has a right to exist, 64
  - Responsible for value of land, 153
  - Individual ownership of land the mistake of, 153
  - Conditions obtained in an ideal, 215
  - An ideal, 223
  - Much of the wealth taken from the earth belongs to, 255
  - Described in terms of parenthood, 256
  - Creates land values, 257
  - Likened to a mechanism, 258
  - Is anti-individualistic, 361

# INDEX

- Accounts are kept well-balanced in a just, 448
- Sociology deals with human beings, 9
- Soul
  - Of man, 21
  - The, a cellular matter, 22
  - The, common to man and brute, 22
  - The, dates back to the unicellular Protozoa, 22
- Sound and silence, light and darkness, distinguishable by Medusa, 23
- Southern cotton growers' decision regarding overproduction, 444, 509
- Specialising and systematising activities, 563
- Speculation impossible in World Cor. Invest. Co., 406
- Spencer Herbert
  - Regarding coördination between physical and mental fitness, 24
  - Dictum of, that no sound fabric of reason can be woven from rotten, raw material, 33
  - Regarding absolute ethics, 206
- Spencer's "Sociology," 63
- Sperm-cells, 163
- Spiders and insects possess power of muscular coördination and of intelligent adaptation, 23
- Courtship of, 34
- Spirit originally meant breath, 66
- "Of the hive," 537
- "Springes to catch woodcocks, etc.," 237
- Standard Dictionary
  - Definition of capital, 267
  - Definition of interest, 313
  - Definition of profit, 369
- Statistics, Bureau of Vital, 537
- Steamers, ocean, travel faster than our express trains, 562
- Steffens, Lincoln, regarding municipal corruption, 542
- Stock in World Cor. Invest. Co. \$1.00 per share, 407
- Stockjobbing, 402
- Stone Age, the, 72
- Sun, the
  - Gives one two-thousand-millionth part of its heat to the earth, 14
  - Radiation not measurably weaker than 2,000 years ago, 14
- Supply
  - And demand equal, 55
  - The law of, 443
- Survival
  - Of the fittest the survival of the best, 24, 61
  - Of the fittest, explanation of the, 204
- Swedenborg's nebular mist theory, 13
- Synamœbæ, 20
- Syndicates impossible, 502
- Synopsis of the Gillette system, 574-578
- "System of Economical Contradictions," quotations from, 103, 127
- Tarantulas in a bottle illustration, 120
- Tariff regulations, our, a by-word of our merchant marine, 509
- Telegraph, free, 548
- Teleology
  - The sum of the attributes of religious thought, 39
  - And evolution combined accepted by many, 40
- Telephones, free, 548
- Telescope discoveries regarding the stars, 14
- Temple of Science, 537
- Tertiary, or Cœnolithic Epoch, 18
- "The Position of William," 359
- Thieves secure wealth, how, 214
- Time necessary to develop the topmost branch of the biological tree, 33
- Since man stood upright and walked, 45
- Toll
  - Highways, 223
  - Gates an anachronism and an offence, 548
  - Railways, 548
- Trade
  - The sole object of, gratification of human desires, 113
  - Relations, foreign, a matter of bookkeeping, 80
  - Relations exchanges of utilisable commodities, 80
- Transportation
  - Our general, operated to rob the people, 509
  - Freight, cheaper to Japan than from West to East in U. S., 509
  - Free, 548-549
- Travel, ocean, to be revolutionised, 562
- Trophisms, 22
- Trunk lines, attitude of towns toward, 437
- "Trusts and the State," quotation from, 103
- Truth
  - Is consistency with Nature, 36
  - Is consistency with genesis, 530
- Tucker, Benj., regarding interest, 281-287



# INDEX

- Ultraviolet of ecstasy, 166
- Underfed breed faster than the  
nourished or overfed, 459
- United States, oligarchic trend of  
affairs in the, 395
- Usury
  - Aristotle regarding, 141
  - Roman Catholic Church regard-  
ing, 141
  - Ancients opposed to, 141
- Vail, Charles H., regarding inter-  
est, 269
- Value
  - Illustration of, 134
  - Site, of land, 257
  - Of land created by society, 257
  - Considerations of, 365
  - Of all things referable to happi-  
ness, 365
- Venice
  - Currency of the bank of, 81-82
  - History of the bank of, 81-82
- Vermes (the worm), 20
- Vertebrates or vertebrata, 20
- Vote
  - One, one man policy, 434-435
  - One, by holders of World Cor.  
Invest. Co. certificates, 501
- Voting by proxy, 436
- Wages
  - Is that which accrues to labour,  
133
  - Paid in money, 423
  - Regulation of, 460
  - Changes in, to regulate supply,  
460-461
  - The chief stumbling block of  
most hypothetical social sys-  
tems, 505
- Wall Streeter, a typical, a social  
tiger, 402
- Want
  - And the fear of want a dominat-  
ing spectre, 115
  - The child of Greed, 116
  - And fear of want will disappear,  
537
- Waste
  - Of the present system, 505
  - In agricultural departments, 509
  - In buying and selling eliminated,  
551
- Watch, gold, illustration, 357
- Water
  - Upon the earth before life was  
possible, 17
  - Ernst Haeckel regarding, 17
  - In low life forms of marine ani-  
mals, 17
  - Supply free, 548
- Watt's Dictionary of Chemistry,  
536
- "Wealth
  - Of Nations," quotation from,  
99-100, 269
  - Is the normal result of labour  
multiplied into the earth, 122
  - Is stored labour, 126
  - Stored in the earth sufficient for  
all, 205
  - How obtained, 214
  - Of the world increasing, 406
- Western farmers burn corn be-  
cause they cannot get coal, 509
- Wheat, amount of, raised in the  
U. S., 510
- "Who is the Somebody," article re-  
garding interest, 295-296
- Will, the, 22
- Women
  - Governed without representation,  
56
  - Immoral, indifferent to pain, 529
  - Economically independent, 523,  
564
- Work
  - When congenial becomes play, 216
  - A change of, necessary to health,  
219
  - And play, the difference between,  
395
  - For all in any department, 462
  - Likened to play, 481
  - Extra desires gratified by extra,  
548
- Workers
  - Chosen according to ability, 432
  - Will practically be officers, 434
  - Paid according to the product  
they produce, 507
  - If not satisfied may have voice of  
their fellows to decide any  
question, 513
- World Congress, 423
- World Cor. Invest. Co.
  - The, 403, 416, 422, 424, 477
  - Securities permanently held, 403
  - Shareholders, 415
  - A peoples' company, 423
  - Safe and secure, 423-424
  - For rich and poor, 424
  - Purchase of securities by the, 431
  - Will aim to secure the highest  
efficiency, 431
  - Regarded as a just employer, 432
  - Not controlled by large share-  
holders, 434
  - Operations will be world-wide,  
437-438
  - Will make of the world one great  
thinking organism, 446
- World's Fair, illustration of compe-  
tition, 113-114
- Worms, primitive and soft, 20
- Wrong acts, James Mackaye regard-  
ing, 206

## NAMES OF PERSONS REFERRED TO AND QUOTED

- Adams, John, 60  
 Alexander, 212  
 Aristotle, 85, 141, 268  
 Armstrong, George Francis Savage, 350  
 Aurelius, 540  
 Babcock, J. L. M., 287  
 Bagehot, 548  
 Bastiat, 290, 314  
 Beal, W. J., 337  
 Bellamy, Edward, 68, 102, 170, 184, 188, 381, 420, 526, 540  
 Bilgrim, Hugo, 298  
 Blatchford, Robert, 52  
 Böhm-Bawerk, Eugen V., 267, 306  
 Bondareff, Timothy Michailovitch, 312  
 Brennan, Louis, 561  
 Brooks, John Graham, 175  
 Brooks, Phillips, 78, 138  
 Bryan, William Jennings, 455  
 Buckle, 271  
 Burke, 16  
 Burns, Robert, 527  
 Butler, Benjamin, 81  
 Butterfield, Virginia, 414  
 Butterworth, Hezekiah, 7  
 Byron, 68  
 Carlyle, Thomas, 52, 78, 110  
 Cary, Alice, 78  
 Clark, 189, 267  
 Clough, Arthur Hugh, 6  
 Colwell, 82  
 Crosby, Ernest, 12, 44, 68, 150, 340, 364, 381, 400, 442, 484, 492, 504, 516, 540, 554  
 Crothers, Samuel McChord, 60  
 Dancey, Jesse S., 126  
 Darrow, Clarence, 455  
 Darwin, Charles, 71, 118, 130  
 Del Mar, Alexander, 85  
 Devine, Edward T., 340  
 Dunne, E. P., 430, 442, 455  
 Dunoyer, M., 103  
 Dutton, Chauncy F., 561  
 Eliot, George, 52, 138, 492  
 Ely, Richard T., 268, 369  
 Emerson, 90, 138, 294, 324, 544  
 Epictetus, 527  
 Fetter, 267  
 Fisher, Irving, 266  
 Fisher, Dr. Jabez, 347  
 Franklin, 527  
 Fuller, 527  
 Gallienne, Richard Le, 502  
 George, Henry, 272, 273, 313  
 Goethe, 78  
 Gilman, Charlotte Perkins, 12, 16, 32, 44, 52, 90, 102, 150, 160, 246, 294, 324, 340, 392, 400, 420, 442, 492, 516, 540  
 Greeley, Horace, 81  
 Haeckel, Ernst, 17, 18, 22, 163, 229  
 Hamilton, Sir William, 39, 454  
 Hardinge, Henry H., 381  
 Hauser, Clarence E., 212  
 Haynes, Artemus Jean, 340  
 Heath, Frederick, 454  
 Hermann, 266  
 Herschel, Sir William, 14  
 Hewitt, Peter Cooper, 562  
 Hitchcock, C. C., 90, 246, 454, 540  
 Hoag, Clarence G., 308, 360  
 Holmes, 527  
 Howells, 133  
 Hubbard, Elbert, 7, 32, 38, 60, 68, 78, 294, 381, 430, 540  
 Hugo, Victor, 102, 554  
 Huxley, 17  
 Ingersoll, Robert, 60, 150, 324  
 Jevons, 266  
 Johnson, Dr., 150  
 Jones, Ellis O., 430  
 Jordan, William George, 364  
 Kant, 13  
 Kleinwächter, 266  
 Knies, 266



## PERSONS REFERRED TO AND QUOTED

- |  |  |
|--|--|
| <p>Landry, 267<br/> Laplace, 13<br/> Lincoln, Abraham, 492, 554<br/> Lockyer, 13<br/> London, Jack, 570<br/> Lowell, 138<br/> Lybarger, Lee Francis, 92, 212, 294,<br/> 312, 380, 381, 400, 455, 540<br/> <br/> Mackaye, James, 118, 160, 206, 224<br/> MacLeod, 267<br/> Macrosty, H. W., 103, 105<br/> Maeterlinck, 516<br/> Manning, Cardinal, 212<br/> Markham, Edwin, 324<br/> Marven, Dwight, 6, 264<br/> Marx, 118, 267<br/> McCulloch, 267<br/> McIntosh, G. B., 347<br/> Mill, John Stuart, 87, 103, 128, 267,<br/> 570<br/> Molinæus, 307<br/> Morris, William, 381<br/> Mosby, Thomas Speed, 455<br/> Moses, 6, 26<br/> Munsterberg, Hugo, 160, 420, 526<br/> <br/> Outhwaite, L. R., 102<br/> <br/> Paine, Thomas, 118<br/> Paley, Archbishop, 246<br/> Parsons, Frank, 75, 81, 85, 118, 224,<br/> 294<br/> Phillips, Wendell, 81<br/> Post, Louis F., 150, 340, 350, 455<br/> Proudhon, 103, 256, 269, 306, 316,<br/> 347, 359<br/> <br/> Raymond, DuBois, 529<br/> Reeve, Sidney A., 301</p> | <p>Ricardo, 267<br/> Romanes, 22, 24, 230, 327<br/> Ruskin, John, 52, 150, 246, 265, 290,<br/> 527<br/> <br/> Salmasius, 307<br/> Senior, 266<br/> Sergius, Grand Duke, 417<br/> Seton, Ernest Thompson, 327<br/> Shakespeare, 138, 504, 527<br/> Shaw, Bernard, 110, 299<br/> Shelley, 110<br/> Sillar, 337<br/> Smith, Adam, 87, 99, 266, 269, 313,<br/> 319<br/> Snyder, Carl, 561<br/> Spencer, Herbert, 24, 33, 63, 157,<br/> 161, 166, 206, 212, 327<br/> Steffens, Lincoln, 542<br/> Stimson, John Ward, 516<br/> Swedenborg, Emanuel, 13, 110<br/> <br/> Tennyson, Alfred, 6<br/> Thoreau, 7<br/> Tucker, Benjamin, 272, 281, 314<br/> <br/> Vail, Charles H., 269<br/> <br/> Wagner, 60<br/> Walras, 266<br/> Washington, George, 78<br/> Webb, Sidney, 455<br/> Wentworth, E. P., 324<br/> West, Thornton, 540<br/> Whitman, Walt, 26, 381<br/> Williams, Bishop Charles D., 554<br/> Wilson, Andrew, Ph.D. F.R.S.E.,<br/> 26<br/> Worth, Max, 484</p> |
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